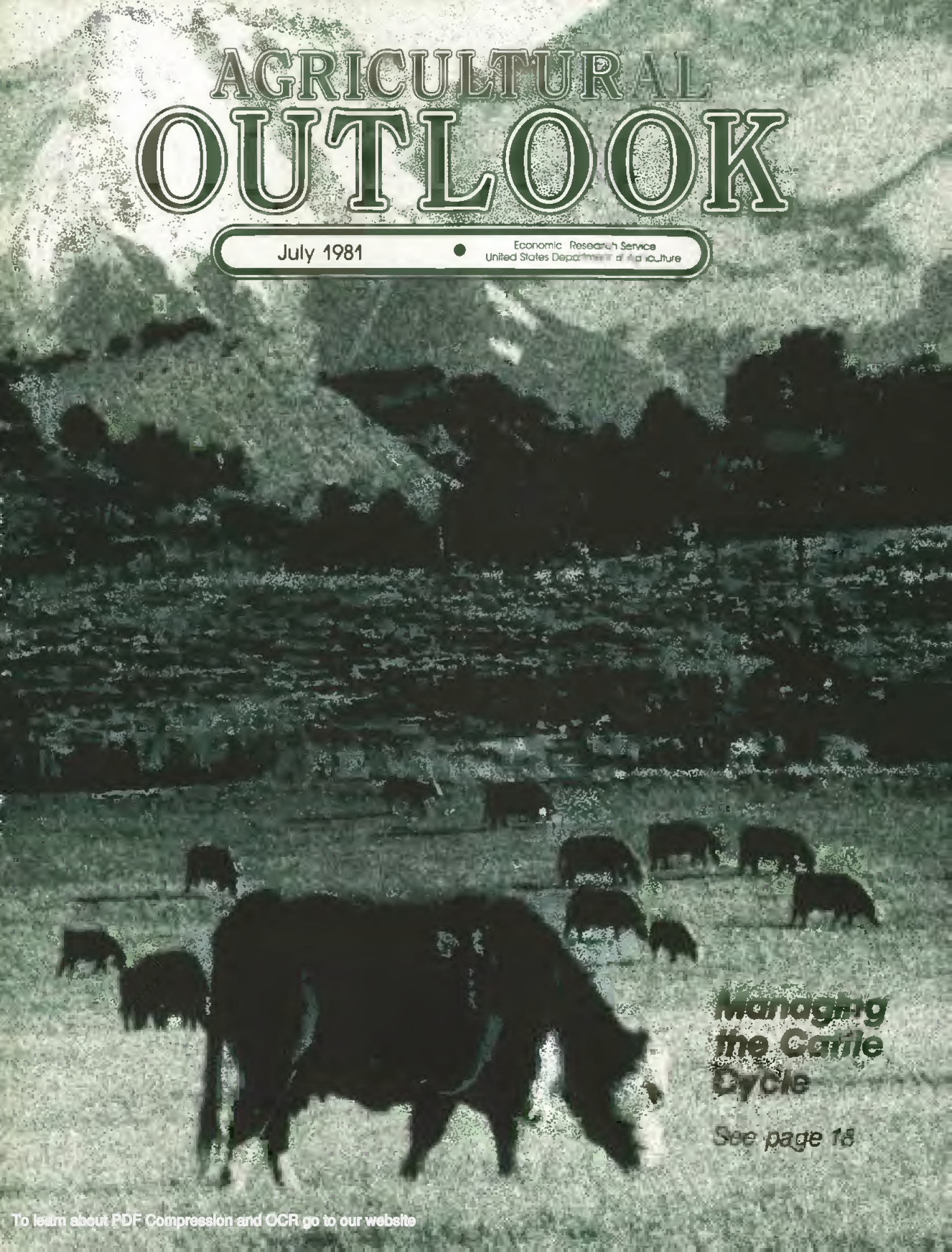
AGRICULTURAL OUTLOOK

July 1981 • Economic Research Service
United States Department of Agriculture



Managing the Cattle Cycle

See page 18

To learn about PDF Compression and OCR go to our website

AGRICULTURAL OUTLOOK

July 1981/AO-67

Economics Staff
Lorna Aldrich (202) 447- 2317
Managing Editor
Leland Scott (202) 447-8353
Editorial Staff
Shirley Hammond
Sherrie Meyer
Statistical Coordinator
Ann Duncan (202) 447-2319
Production Staff
Shawn Irving, Francina Edwards, Deborah Perrell, Neva Hayslett; and Linda Zelder.

For more information, contact:
Commodity Highlights—Don Seaborg or Bob Miller (202) 447-8376
Farm Income—Gary Lucier and Allen Smith (202) 447-4190
Food Prices—Ralph Parlett (202) 447-6860 and Paul Westcott (202) 447-8801
General Economy—Paul Prentice or Michael Salant (202) 447-2317
Marketing Costs—Dave Harvey (202) 447-6860, or Denis Dunham (202) 447-8801
Transportation—T.Q. Hutchinson (202) 447-8666
World Agriculture and Trade—Dewain Rahe or Sally Byrne (202) 447-9160

The next issue of *Agricultural Outlook* (AO-68) is scheduled for release on August 14, 1981. If you do not receive AO-68 by August 26, call the Economics Staff or use the "Sound Off" sheet on inside back cover (be sure to enclose your mailing label).

Contents of this report have been approved by the World Agricultural Outlook Board, and the summary was released July 1, 1981. Materials may be reprinted without permission. *Agricultural Outlook* is published monthly, except for the January/February combined issue.

Annual subscription: $27.00 U.S., $33.75 foreign. A 25-percent discount is offered on order of 100 copies or more to one address. Order from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402. Make check payable to Superintendent of Documents. Allow 6 to 8 weeks for delivery.

To learn about PDF Compression and OCR go to our website

In Brief . . . News of Livestock Prices, 1981 Crop Acreage, and the Farm Machinery Outlook

With meat production now declining, livestock prices are rising. Weekly pork production is averaging about 10 percent smaller than a year ago, and beef production is down a little from the winter quarter. Since last summer, broiler output has remained 1 to 3 percent larger than a year earlier. Hog prices have rebounded to the low-$50's per cwt., up from a $41 winter average. Fed cattle prices have increased less sharply, but at midyear were running around $70 per cwt. for Choice steers at Omaha.

The prospective feed grain supply-use situation has tightened somewhat in the past month, reflecting higher estimates of feed use and reduced estimates of corn acreage and yields. Wet fields slowed planting in the eastern Corn Belt; however, spring weather was generally favorable, and forecasts for July indicated adequate moisture and temperature patterns. Still, if the weather favors higher yields, feed production will be up substantially. Exports of grain will remain strong, but a large harvest may ease feed costs in the fall and winter just as consumer demand is rising with an improved economy.

In the Middle East and Northern Africa, demand for agricultural commodities is rapidly increasing. This area's population is growing 3 percent a year, with food demand probably growing more than 5 percent annually. U.S. agricultural exports to the region are estimated to grow more than 25 percent this year to about $3.3 billion.

In analyzing the current economic situation, it is important to note that the strong upsurge in economic activity during the first quarter was heavily centered in January. From February through April, consumption declined at an annual rate of 1.8 percent, while preliminary data for May indicated that inflation-adjusted consumption was roughly flat. The short-term economic outlook remains stagnant.

Unit sales of farm machinery in 1981 may pick up slightly from last year's very low levels, but will remain considerably below 1979. The change is expected to range from zero for moldboard plows to an increase of 17 percent for corn heads. Tractor sales could rise 6 percent for four-wheel drive models and 1 percent for two-wheel drive units.

The U.S. transportation system's capacity is now greater than at any time in the last several years. Although the number of 40-foot narrow-door boxcars (useful to small country elevators) continues to decline, covered hopper cars have increased 10 percent from 1980. With harvest of winter wheat well underway, about 27,000 100-ton covered hopper cars were free for immediate use in mid-June.

Since the most recent cattle cycle reached its trough in January of 1979, herd expansion has been slow—held back partly because of last year's drought. Cattle numbers are expected to peak again some time after 1985—perhaps as late as 1987—likely to be followed by a modest liquidation in 1988 and 1989.

Agricultural Economy

With meat production now declining, livestock prices are rising. Hog prices have rebounded to the low-$50's per cwt., up from a $41 winter average. Fed cattle prices have increased less sharply, but at midyear were running around $70 per cwt. for Choice steers at Omaha. Weekly pork production is averaging about 10 percent smaller than a year ago, and beef production is down a little from last winter. Since last summer, broiler output has remained 1 to 3 percent larger than a year earlier.

In the second half, pork production will continue about a tenth below year-ago levels. Supplies will be seasonally low in the summer but will increase in the fall, with prices easing. Beef output will likely be a little larger than last summer and fall—pushed up by larger fed-beef production beginning in late summer. Marketings of grass-fed cattle may decline in early summer, but should increase seasonally in late summer.

This summer, broiler output will about match the spring level before dropping off seasonally in the fall as consumers shift to turkey. However, broiler production will be 10 percent larger than last summer, when the prolonged heat wave reduced output; by fall, production will be up about 5 percent from a year ago.

Higher livestock prices will be encouraging to cattle feeders, but significant expansion is not likely until more is known about 1981 crops. The acreage seeded to corn this spring is slightly larger than a year ago, while soybean plantings are slightly smaller. This year's crops are likely to be much larger than in 1980.

The prospective feed supply-use situation has tightened in the last month, reflecting higher levels of feed use and reduced estimates of acreage and yields. Wet fields slowed planting in the eastern Corn Belt; however, spring weather has been generally favorable, and forecasts for July indicate adequate moisture and temperature patterns. Still, if the weather favors high yields, feed production will be up substantially. Exports of grain will remain large; however, U.S. livestock and poultry feeders will be in a better competitive position, so their operations may again return a profit. With a larger harvest, feed costs may edge downward in the fall and winter just as consumer demand for meat is rising with an improved economy. *[Don Seaborg (202) 447-8378]*

LIVESTOCK HIGHLIGHTS

Cattle

Commercial cattle slaughter from January through May was 4 percent above a year ago; slaughter was up 9 percent (215,000 head) for cows and 6 percent (220,000) for heifers, and was about the same as a year ago for steers. These increases reflect this year's larger cattle inventory, drought conditions through April, and higher cattle feeding costs. The gains in cow and heifer slaughter indicate a closer culling of the beef herd and likely reduced breeding plans this spring. Although these reduced breeding plans should have little impact on next January's cattle inventory—particularly if moisture conditions continue to improve—they probably will slow the rate of inventory increase in 1982.

With fed cattle marketings likely up from a year ago and continued large nonfed slaughter, second-quarter beef production was around 3 percent above a year ago. Recent rains should continue to improve grazing conditions and help reduce cow slaughter rates, but nonfed steer and heifer slaughter may remain large despite stronger fed cattle prices. Grain prices and interest rates will have to come down before feeder cattle prices improve.

Fed beef production in the third quarter may exceed year-earlier levels as marketings of the larger spring feedlot placements begin. Seasonal increases in nonfed slaughter in late summer may further push beef supplies above year-earlier levels. Total beef production may average 1 to 2 percent above last year in the second half of 1981.

Prices of Choice 900-1,100 pound fed steers at Omaha averaged near $67 per cwt. this spring. They may average near $70 this summer, with prices declining late in the quarter as fed beef production increases. Seasonally larger production may lower fall prices to an average of $66 to $70. Prices of yearling feeder steers are likely to remain near those of fed cattle, at least until feed prices or interest rates decline. *[Ron Gustafson (202) 447-8636]*

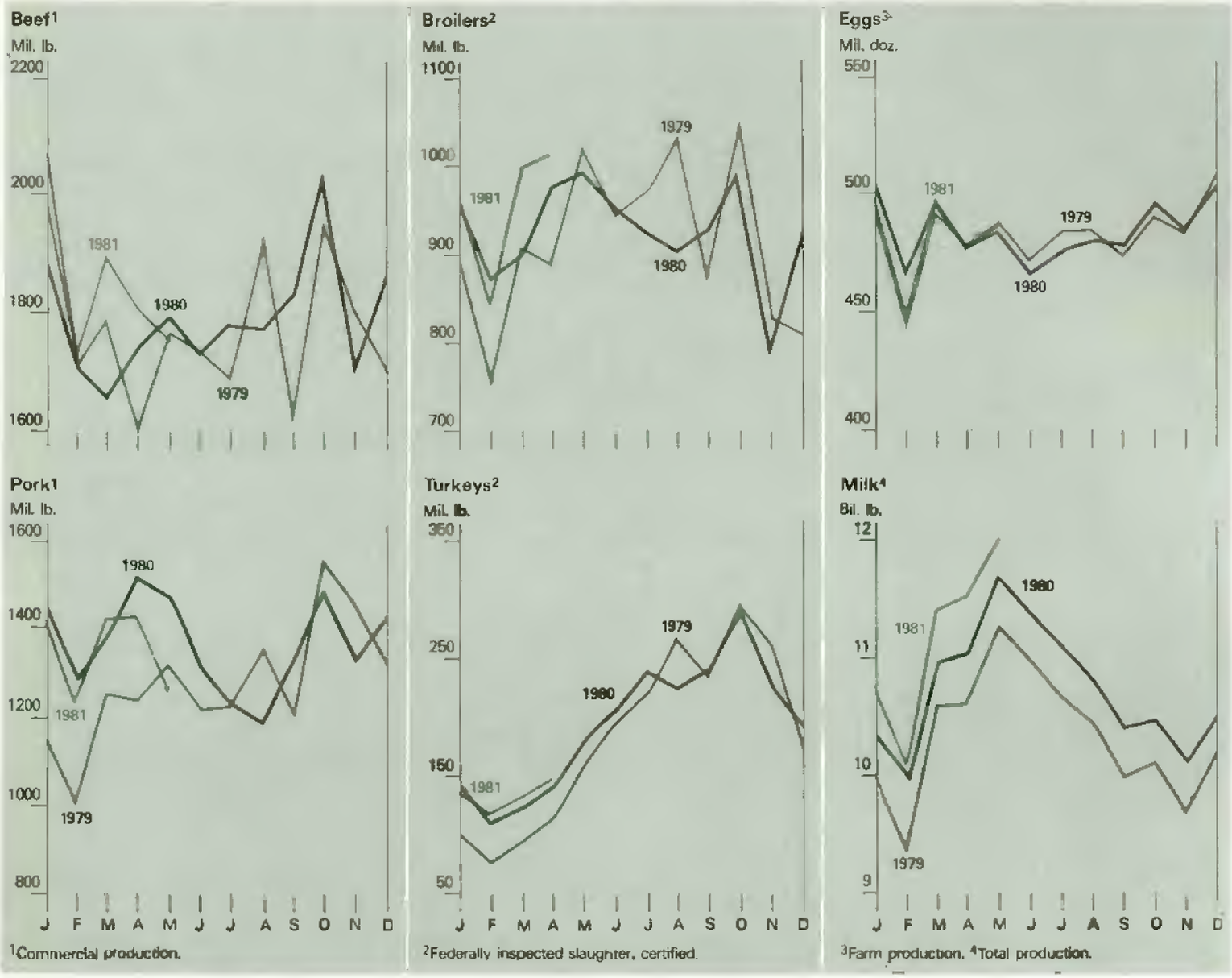
Hogs

Some hog producers are now making profits because barrow and gilt prices have risen about 25 percent from the first quarter while average feed costs have remained about the same. Crop supply and price developments will influence prices for the rest of the year.

In the second quarter, commercial pork production was about 9 percent below a year earlier. Despite this decline, producers' prices for barrows and gilts averaged about $44 per cwt., compared with $41 in the first quarter. Prices remained near the first-quarter average through mid-May, then rose to the low $50's by late June.

On June 1, hog producers indicated intentions to cut June-November farrowings 11 percent from a year earlier. As a result, pork output is expected to decline sharply in the first half of 1982. Farrowings during March-May were 10 percent below a year earlier but the same as intentions reported on March 1. The breeding inventory was down 12 percent from June 1 last year, and the market hog inventory was down 8 percent.

Hogs to be slaughtered in the third quarter will be drawn largely from those weighing 60 to 179 pounds on June 1, which numbered 9 percent below last year. Thus, barrow and gilt prices may average $51 to $55 per cwt. this summer.



Fourth-quarter slaughter will be drawn largely from hogs weighing less than 60 pounds, which were down 8 percent on June 1. Pork production is expected to be 8 to 10 percent below a year ago this fall, and barrow and gilt prices may average $49 to $53 per cwt. *[Leland Southard (202) 447-8636]*

Dairy

Milk production for the first 5 months of 1981 was up 4.3 percent from a year earlier. May marked the 25th straight month that milk production exceeded year-ago levels, the result of 70,000 more milk cows and a 30-pound increase in output per cow. Because the support price was not raised on April 1 and because of uncertainty about the support level this fall, culling of marginal cows may increase. However, with the large number of replacements available, the herd will likely remain near present levels—but fall below year-ago numbers by yearend. Milk production for all of 1981 will likely be 2 to 4 percent above 1980's 128.4 billion pounds.

Prices paid to dairy farmers have declined since January, reflecting large supplies and the seasonal decline in fat content. From January through May, the all-milk price fell 60 cents; however, after adjusting for fat content, it was only 23 cents below January. The all-milk price for 1981 is expected to average 7 to 9 percent above the $13.00 per cwt. reported for 1980.

Wholesale prices of butter, American cheese, and nonfat dry milk have not changed since mid-October 1980 because of the foregone April 1 support price increase, large commercial stocks, weak consumer use, and expanded milk production. Prices in mid-June were slightly below USDA support levels.

With milk and dairy products likely to be abundant in coming months, year-to-year price gains at retail may abate somewhat this summer. For the year, retail dairy prices are expected to average 8 to 10 percent higher, slightly below the 10 percent gain expected in overall retail food prices.

During January-March, commercial disappearance of dairy products (on a daily average basis) dropped 5 percent. But with use up 6 percent in April, second-quarter disappearance should increase from last year's weak level. Use is also projected to rise this summer. With the possibility that retail price gains will slow this summer, that consumer incomes will improve, and that meat prices will rise, dairy products could be relatively more attractive to consumers. On balance, use in 1981 should be up less than 1 percent from 1980. *[Cliff Carman (202) 447-8636]*

CROP HIGHLIGHTS

Wheat

On June 1, the 1981 winter wheat crop was forecast at 2.01 billion bushels—6 percent larger than last year, but down 3 percent from May because of weather damage (particularly a mid-May freeze in the Western wheat belt). The outlook for spring wheat is less certain, but the crop is developing well, and yields are likely to exceed last year's drought-reduced levels.

Because of the record seeded area—an estimated 89 million acres—total 1981 wheat production could reach an alltime high of 2.63 billion bushels, up 11 percent from last year's record. With stocks going into the 1981/82 crop year slightly above a year ago, the total wheat supply will again be record large—topping 3 billion bushels for the third time in the last 4 years. *[Allen Schienbein (202) 447-8776]*

Feed Grains

Carryover stocks of all feed grains on October 1 are estimated at 28 million metric tons—46 percent below last year and representing only 13 percent of total use. During 1977-1979, the stocks-to-use ratio for feed grains averaged 22 percent, up from 12 percent during 1974-1976.

Prospects for larger 1981 feed grain crops and only modest increases in use point to some stock rebuilding during 1981/1982. Domestic corn use may change little as increased use in ethanol and sweetener production is offset by prospective reductions in feed use. Unless crop yields are exceptional, supplies will likely remain relatively tight.

An expected increase in corn production will account for most of this year's gain in feed grain output. As of June 1, the acreage planted to the 1981 corn crop was estimated at 84.7 million, up 1 percent from last year. However, wet fields in the eastern Corn Belt delayed corn planting; some acreage intended for corn on June 1 was likely switched to soybeans. Thus, on June 29, planted acreage was estimated at 84 million. Nevertheless, corn production is expected to rebound to around 7.5 billion bushels from 6.6 billion last year, as growing conditions now favor higher average yields than in 1980.

Farm prices for corn are expected to average $2.85 to $3.45 a bushel next season, compared with this season's estimated $3.15. *[Bob Green (202) 447-8444]*

Soybeans

Except for soybean meal exports, 1980/81 usage estimates for U.S. soybeans and products continue to be revised downward. Exports of soybeans are projected at 750 million bushels and are currently running 15 percent below last year's level. Similarly, exports of soybean oil continue to run sharply below last year's pace, adding to already large stocks of soybean oil. Domestic use of soybean meal has also slowed, averaging 20 percent below year-earlier levels during January-April.

Continued weak demand for soybeans and products has kept prices in check. In May, prices for beans, meal, and oil averaged $7.53 a bushel, $221 per short ton, and 21.6 cents a pound, respectively. *[Leslie Herren (202) 447-8444]*

Cotton

Although U.S. cotton stocks are at a 30-year low, prices have declined in recent weeks. At the end of June, spot prices (SLM 1-1/16 inch) were around 78 cents a pound, 5 cents above a year earlier but 10 cents below the season's high point reached last winter. Contributing to this decline are prospects for larger production this fall and very weak inventory demand.

U.S. cotton production is expected to increase sharply this year to around 12.2 to 15.4 million bales, up from 11.1 million in 1980. Disappearance is also projected to rise, led by a 15-percent gain in exports. Exports during 1981/82 could total around 7 million bales, up from 6.1 million this season. Domestic mill use is forecast at 6.1 million bales, compared with 5.8 million for 1980/81. Ending stocks for 1981/82 could remain tight at 3.2 million bales, up from this season's projected carryout of 2.4 million. *[Sam Evans (202) 447-8444]*

Rice

U.S. rice plantings in 1981 are estimated at a record 3.84 million acres, up 14 percent from 1980, and 10 percent above the previous estimate. Rice production in 1981 is estimated at 171 million cwt., compared with 145 million in 1980.

The larger-than-expected acreage points to larger 1981/82 supplies, a sharper build-up in stocks, and lower prices than previously anticipated. Carryover stocks in 1981/82 could double from the 18 million cwt. forecast for 1980/81, while farm prices are expected to average well below this season's $12 per cwt. *[Sam Evans (202) 447-8444]*

Tobacco

Although cigarette output during 1980/81 (July-June) was record large, manufacturers shifted to more imported tobacco, pulling use of domestic tobacco down 2 percent. The weather-reduced crops of the past two seasons have brought tobacco exports down 8 percent. Total disappearance may about match the 1980 crop, with the carryover equaling last year's 3.3 billion pounds. During the first 10 months of the marketing year, tobacco imports were up 7 percent from a year earlier. The U.S. International Trade Commission held a hearing in late June on USDA's request for import controls and is expected to report its findings in mid-August.

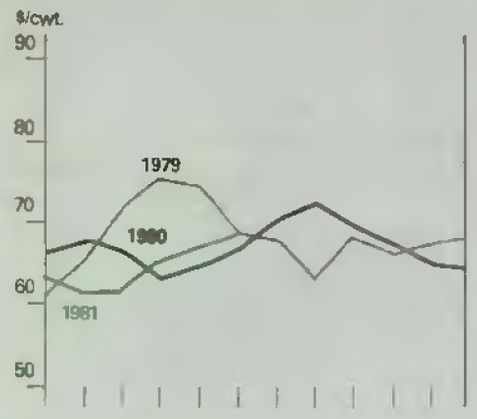
Much needed rains fell over the flue-cured belt in late May and June. By mid-June, crop maturity was ahead of last year. Auctions are scheduled to begin July 14, a week earlier than last year. *[Robert H. Miller (202) 447-8776]*

Peanuts

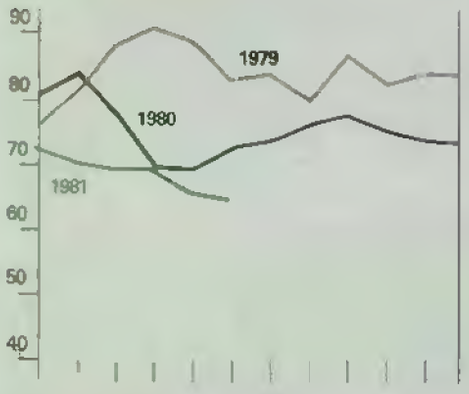
With the 1980/81 season almost over, marketing firms have made substantial adjustments to economize on last year's drought-reduced crop. Imports beyond the regular quota were allowed for the first time since the mid-1950's and represented 12 percent of supply. Exports fell almost 60 percent from last season. So domestic edible use was not as short as indicated last winter; the total may drop about 8 percent.

Commodity Market Prices: Monthly Update

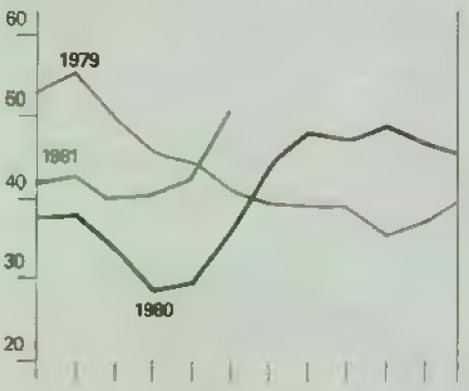
Choice Steers[1]



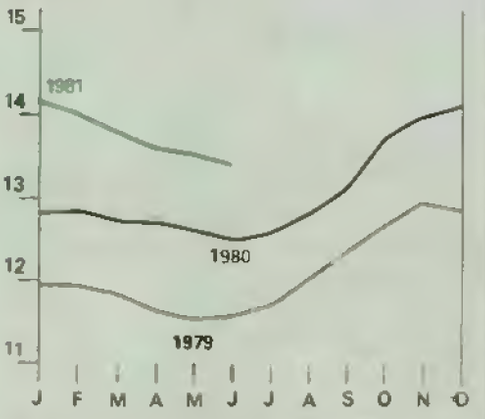
Choice Feeder Cattle[2]



Barrows and Gilts[3]

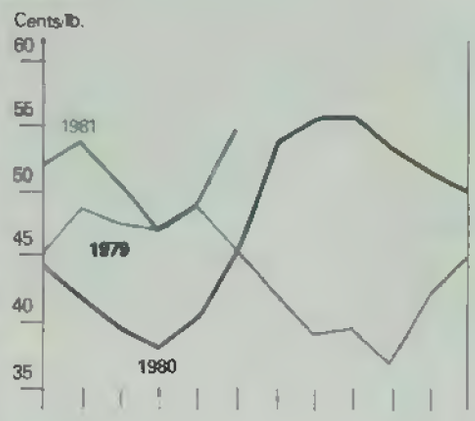


All Milk

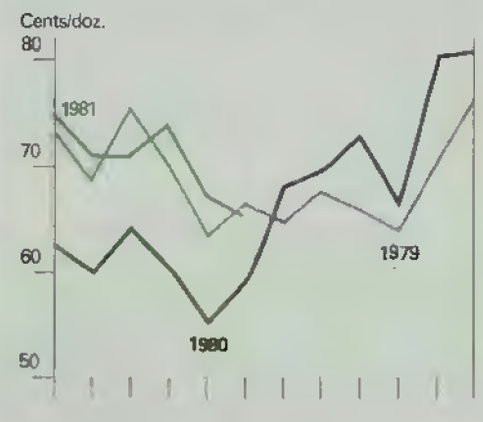


Prices for most recent month are mid-month prices.
[1]Omaha. [2]600-700 lbs., Kansas City. [3]7 markets.

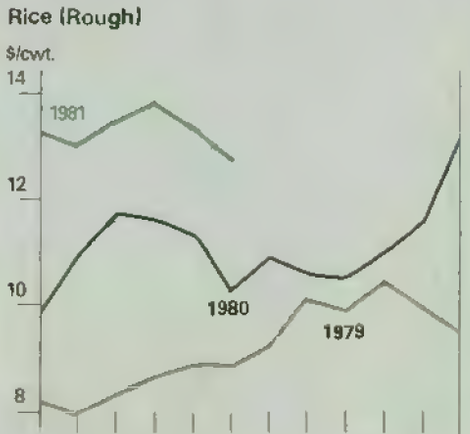
Broilers[4]



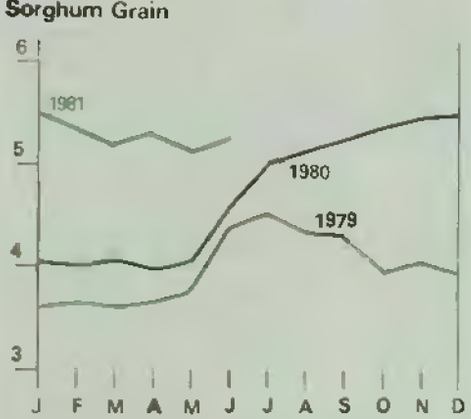
Eggs[5]



Rice (Rough)

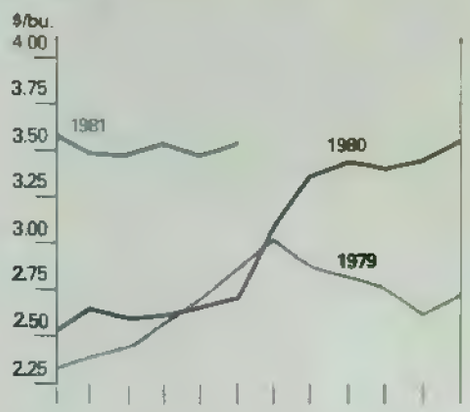


Sorghum Grain

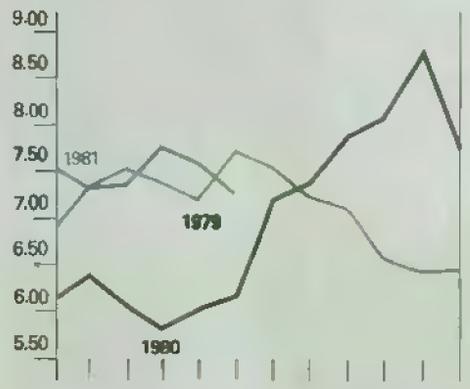


[4]Wholesale, New York. [5]Grade A Large, New York.

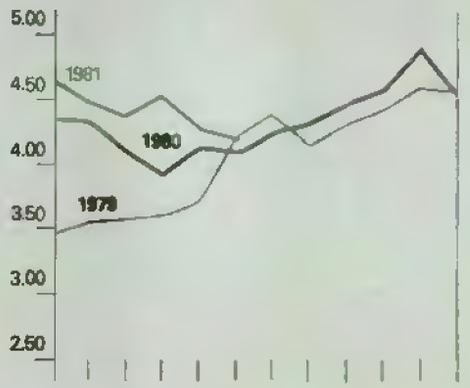
Corn[6]



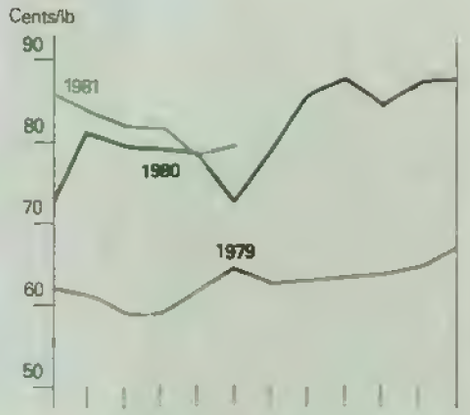
Soybeans[7]



Wheat[8]



Cotton[9]



[6]No. 2 Yellow, Chicago. [7]No. 1 Yellow, Chicago.
[8]No. 1 HRW, Kansas City.
[9]Average spot market, SLM, 1-16."

To learn about PDF Compression and OCR go to our website

Trade reports indicate that by late winter retail peanut butter prices were about 70 percent above a year earlier. Price rises have since moderated, with some prices falling from earlier high levels. Planted 1981 acreage is estimated 3 percent above last year, and recent rains have given the 1981 crop a good start. If yields are about average, the 1981 crop could be large enough to bring supplies within 90 percent of the pre-drought total. *[Robert H. Miller (202) 447-8776]*

Sugar

In June, world raw-sugar prices strengthened to about 16 cents a pound from the 1981 low of 14 to 15 cents in mid-May. Prices averaged 31 cents a pound in June 1980. Without a substantial increase in 1981/82 global sugar output, little rebuilding of sugar stocks can be expected, and prices should rise.

It takes a month or longer for U.S. wholesale and retail markets to reflect changes in world sugar prices. At wholesale, some refined sugar prices fell 12 to 14 cents a pound between January and May. May prices for refined cane sugar averaged 28 cents a pound in the Northeast and 26 cents in the Chicago-West market. The U.S. average retail price for granulated sugar declined for the fifth straight month in May to 39.5 cents a pound This was down from the high of 56.5 cents a pound in December but still exceeded the May 1980 average by 1-1/2 cents.

Through mid-June, deliveries of sugar for U.S. consumption were running about 8 percent behind last year's pace. Calendar 1981 deliveries are expected to drop more than 3 percent from 1980. Stocks held by primary U.S. sugar distributors totaled 2.48 million metric tons (raw value) as of May 30, about 3 percent less than a year ago. *[Robert Barry (202) 447-7290]*

Coffee

A large 1981 world coffee crop is in prospect. Barring a freeze in Brazil, world coffee stocks will likely grow over the next several years. Brazilian trees will be susceptible to winter frost during June-August; recent coffee-damaging frosts occurred in 1969, 1972, 1975, and 1978. World coffee prices will be influenced by the large prospective supplies and by the International Coffee Agreement (ICA), which will seek to stabilize prices between $1.15 and $1.55 a pound.

Green coffee prices trended downward in 1980. Between November 1980 and May 1981, they stayed relatively stable at $1.15 to $1.25 a pound. In June, prices fell to around $1 a pound. With prices easing, three ICA export quota cuts of 1.4 million bags each have been subtracted from the global quota of 58.4 million 60-kilogram bags.

Retail prices of processed coffee continue to decline; the U.S. average price for 1 pound of roasted decreased to $2.54 in May from $2.78 in January. The U.S. average price of 8 ounces of instant was $3.76 in May, down from $3.95 in January.

In value, coffee is the largest U.S. agricultural import. In calendar 1980, coffee imports totaled around $4.2 billion, up slightly from the previous year. A drop in the quantity imported last year was more than offset by higher average coffee prices.

Coffee imports and per capita consumption declined in calendar 1980. The total net volume (excluding imports and re-exports) was nearly 2.4 billion pounds (green-bean equivalent), down from 2.6 billion in 1979. Green coffee accounts for over 90 percent of import volume. Per capita consumption totaled 10.6 pounds (green-bean equivalent) in 1980—a decline from 11.6 pounds in 1979, partly due to high retail coffee prices.

Coffee imports for first-quarter 1981 totaled 715 million pounds (green-bean equivalent), only 8 million ahead of the same period in 1980. Per capita consumption of 2.9 pounds matched the first-quarter 1980 level. Despite the slow start, both imports and per capita consumption could increase in calendar 1981, largely in response to declining prices. *[Fred Gray and Robert Barry (202) 447-7290]*

Tea

World tea production was record large last year at 1.8 million metric tons, nearly 2 percent higher than in 1979. Reflecting the close balance between global supplies and consumption, world tea prices have been relatively stable since peaking in 1977.

Retail tea prices increased slightly in calendar 1980 and have continued upward so far this year. In May 1981, a package of 48 tea bags in New York City cost $1.61, up from $1.44 in January 1980 and $1.54 in December. World tea prices probably won't change much in 1981, and they could decline. However, unless world prices drop sharply, U.S. retail prices will probably be slightly higher by late 1980—largely because of increased processing, packaging, and distribution costs.

Tea imports totaled around 185 million pounds in 1980, nearly 6 percent more than the previous year. Per capita use of 0.76 pound (dry-leaf basis) was up slightly from 1979 but still below the recent per capita high of 0.83 pound in 1976. Tea imports are expected to decrease this calendar year, continuing a pattern begun in 1972. First-quarter 1981 imports were 15 percent below a year ago. *[Fred Gray (202) 447-7290]*

Fruit

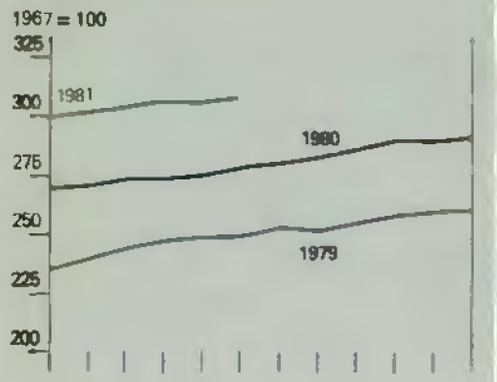
If June 1 forecasts are realized, the supply of fresh fruit will be large this summer. The California nectarine crop, at a record 210,000 tons, is forecast up 9 percent from last year. Shipments through mid-June were running ahead of last year's pace. Opening f.o.b. prices at shipping points were sharply higher than a year earlier, but have since declined as volumes increased.

Peach production is forecast at 2.90 billion pounds, 6 percent less than last season. Excluding California clingstones, the total U.S. peach crop is estimated at 1.7 billion pounds, only 1 percent smaller. The nine Southern States are expected to produce 667 million pounds, 13 percent more than last year. Early-season f.o.b. prices at shipping points were sharply above year-earlier levels, but have since declined substantially. With a considerably larger crop, prices for Southern peaches will probably average lower than in 1980. However, smaller crops from some important producing States in late August and September are likely to keep f.o.b. prices at shipping points relatively high.

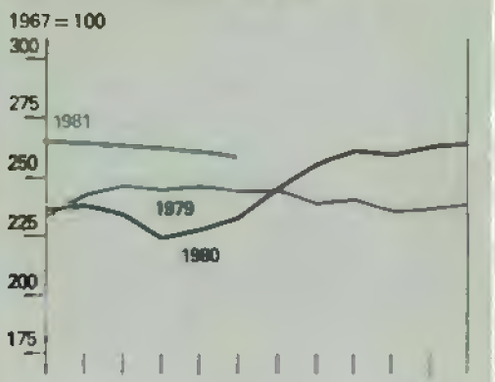
The 1981 California plum crop is forecast at a record 180,000 tons, 13 percent above 1980. Harvest of major varieties is well underway, and shipments through mid-June have been substantially ahead of last year's pace. Opening f.o.b. prices at shipping points were generally below a year ago, and prices are expected to decline further as the season progresses. *[Ben Huang (202) 447-7290]*

Prime Indicators of the Agricultural Economy

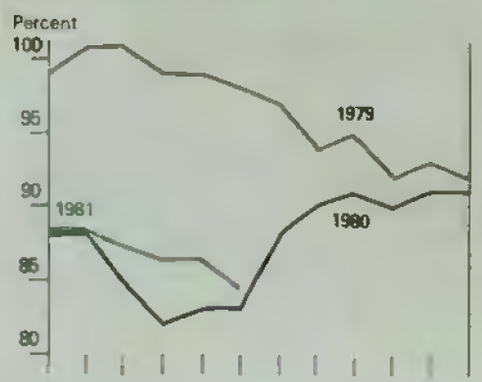
Prices Paid by Farmers[1]



Prices Received by Farmers[2]

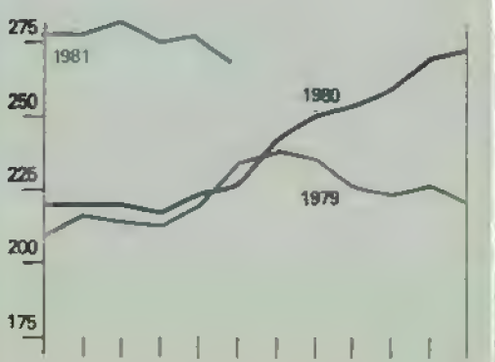


Ratio of Prices Received to Prices Paid

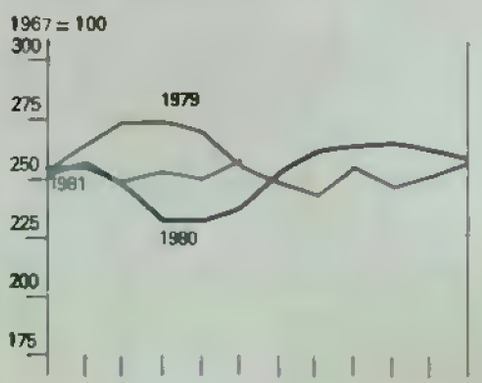


Fertilizer Prices

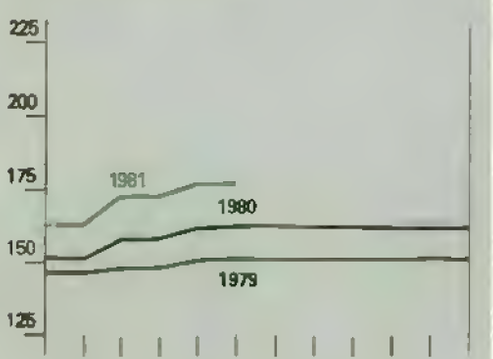
All Crops



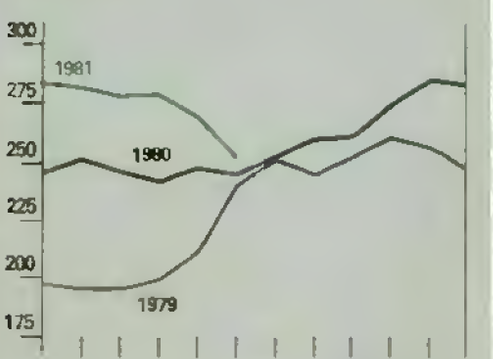
Livestock and Products



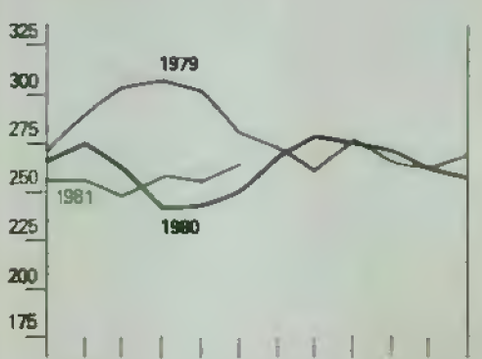
Agricultural Chemicals



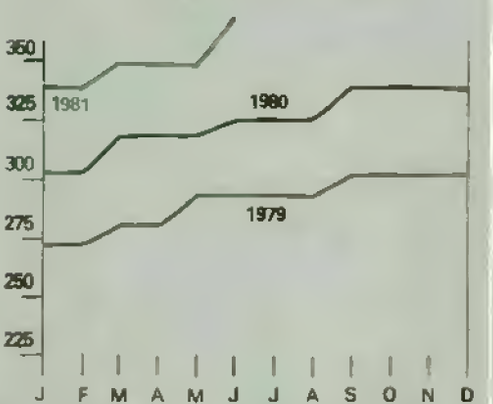
Food Grains



Meat Animals

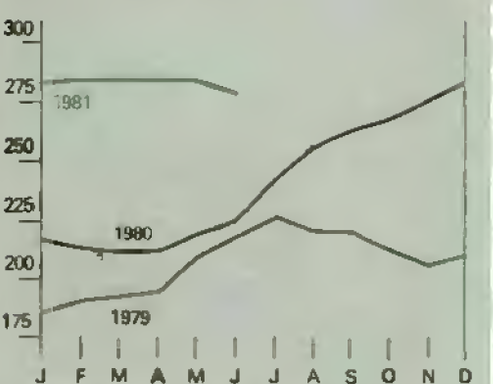


Tractors and Self-Propelled Machinery



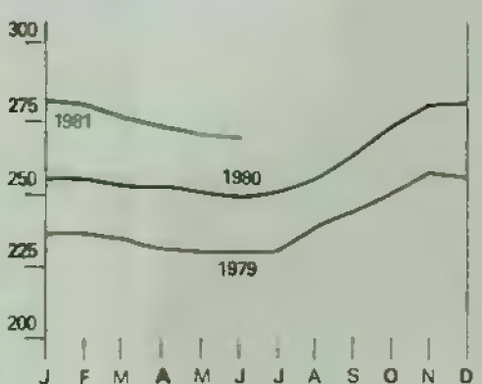
[1]For commodities and services, interest, taxes, and wages.

Feed Grains and Hay



All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1967 = 100.
[2]For all farm products.

Dairy Products



To learn about PDF Compression and OCR go to our website

World Agriculture and Trade

SPOTLIGHT ON THE MIDDLE EAST AND NORTHERN AFRICA:

Agricultural Imports Soaring

In the belt of countries stretching from Morocco in Africa to Iran in Asia, demand for agricultural commodities is rapidly increasing. This area's population is growing 3 percent a year, with food demand probably growing more than 5 percent annually. As a result, average diets improved tremendously during the 1970's, and further gains are being made this year. Except for Turkey, which increased food supplies through higher yields, the countries of the Middle East and Northern Africa have greatly expanded their food imports in order to improve diets. In the Arab countries and Iran, imported meat and dairy products account for nearly half the increase in calories in the average diet since 1973.

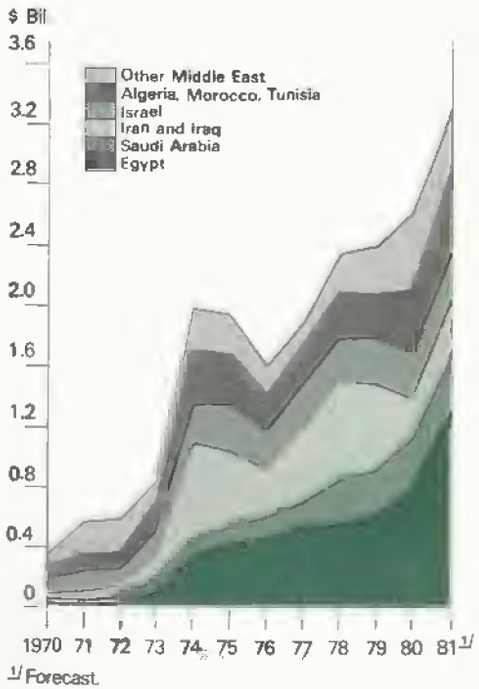
Total agricultural imports by the Middle East and Northern Africa rose about 33 percent in 1980 to $24 billion, about six times the 1973 value. The U.S. share of these imports was only 11 percent in 1980, down from the peak share of 17.5 percent in 1975. Despite this decline, the total value of U.S. farm exports to the region has risen from only $248 million in 1972 to $2.6 billion last year. Although U.S. farm exports to Iran plummeted from $415 million in 1979 to $8 million in 1980—a major factor in our dwindling share of the regions' food imports—the U.S. export value still rose 9 percent last year as gains to Arab markets more than offset the loss of Iran.

Agricultural imports by this region are expected to continue growing rapidly during 1981—possibly rising $6 billion to a record $30 billion. U.S. agricultural exports to the region are estimated to grow more than 25 percent this year to about $3.3 billion. Our agricultural exports to Egypt may rise more than 30 percent to over $1 billion, while sales to Saudi Arabia could rise even faster, exceeding $500 million.

Other major U.S. markets in the region during 1981 with purchases over $200 million each should include Israel, Iran, and Algeria. Dramatic gains in U.S. farm exports are also underway for Kuwait, United Arab Emirates (UAE), Morocco, and Jordan. Sales to Iraq may drop below the 1980 peak of $255 million because of problems in arranging unloading in other countries' ports.

All countries in the region increased their agricultural imports during 1980. Even Turkey, a significant wheat exporter in recent years, saw its agricultural imports rise because of larger purchases of sugar and tallow. During the last decade, food imports by all the Arab countries and Iran have shown a sharp upward trend; the reasons include:

U.S. Farm Exports to Middle East and Northern Africa Climbing Sharply



1/ Forecast.

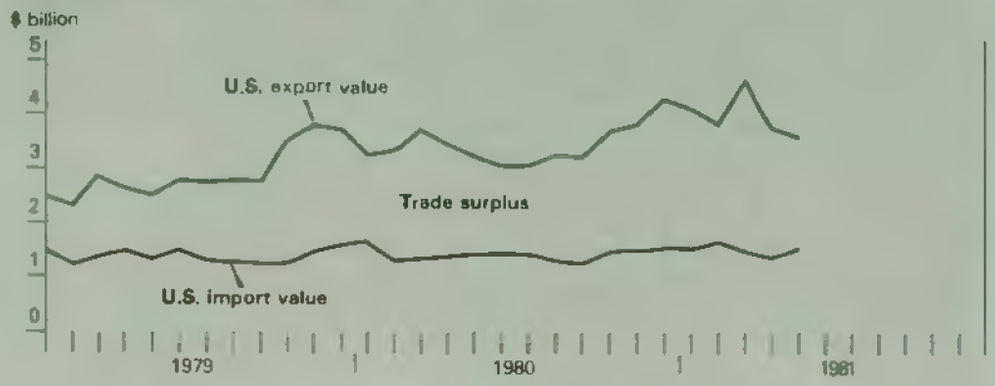
- Per capita incomes have climbed dramatically because of soaring petroleum revenues and financial flows related to petroleum wealth.
- Governments have adjusted their policies and programs to allow much larger agricultural imports because of rapid growth in urban populations. They have provided subsidies for most essential food items to keep prices low for urban consumers. In addition, farmers have encouraged larger grain imports so they could shift to more profitable crops like vegetables.
- The physical area of arable cropland in Arab countries declined during the 1970's because of urbanization, and only limited efforts were made to bring desert areas into production. Thus, maintaining per capita agricultural output became difficult, and could be attained only through higher yields and greater multiple cropping. The situation was similar in Iran, although its extensive area of pastureland and new irrigation projects kept its farmland area from declining.
- Supplies of agricultural products from the European Community (EC), the United States, Brazil, Australia, and some other countries were generally abundant. Prices for most food items remained very attractive, and larger volume purchases by countries in the region provided an economy of scale.
- The rapid growth in demand for livestock products in Arab countries combined with the array of export subsidies provided by the EC, Brazil, and other countries contributed to a boom in imports of poultry meat, eggs, milk, butter, and cheese.
- Extensive programs to expand port capacity, grain storage, and refrigerated grocery stores facilitated rapid import growth for products such as processed foods, fruit juices, fresh fruits and vegetables, and oilseed products.

Saudi Arabia and Egypt: The Region's Largest Markets

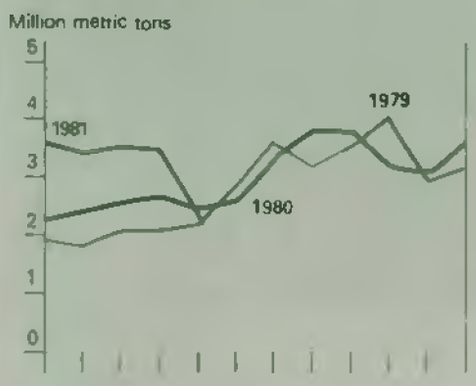
While all countries in the region imported more food products during the last 3 years, Saudi Arabia and Egypt made especially impressive gains and should see considerable growth in the future. Saudi Arabia, a relatively small agricultural importer in the early 1970's with annual purchases of less than $400 million, imported more than $4 billion worth of food and beverages in 1980. Although rice traditionally has been its leading agricultural import, imports of fruit juices, frozen poultry, and live sheep each rivaled rice in value last year.

U.S. Agricultural Trade Indicators

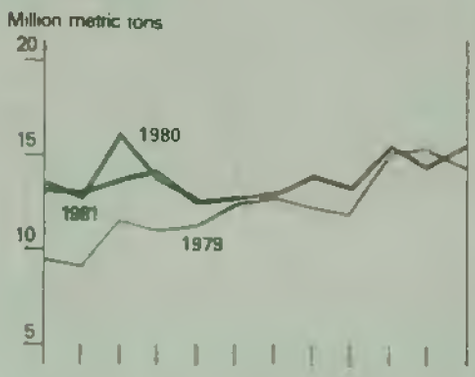
U.S. Agricultural Trade Balance



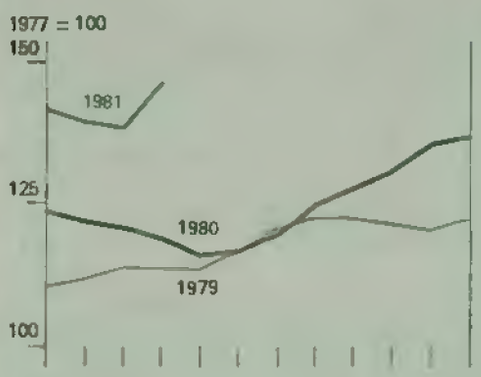
U.S. Wheat Exports



Export Volume

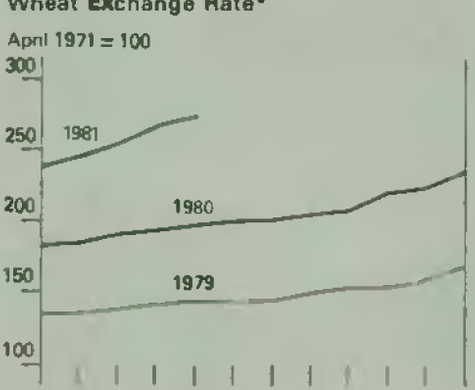


Export Prices

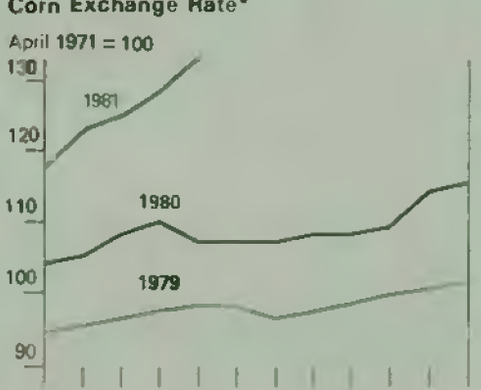


U.S. Corn Exports

Wheat Exchange Rate*



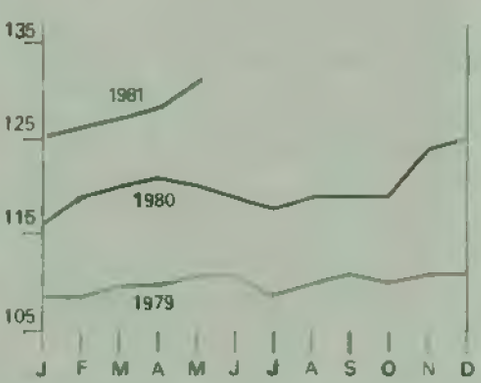
Corn Exchange Rate*



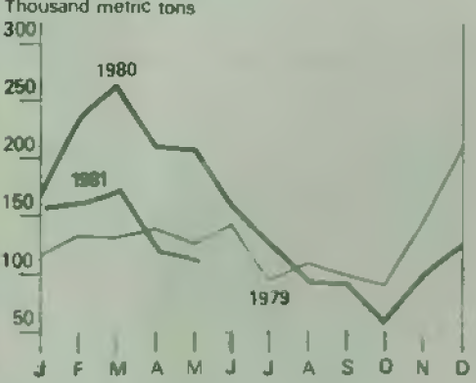
U.S. Soybean Exports

Soybeans Exchange Rate*

Cotton Exchange Rate*



U.S. Cotton Exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated the basket of currencies represented in that particular commodity market.

To learn about PDF Compression and OCR go to our website

While the most rapid growth in Saudi food imports was in livestock products and processed foods, the country has also become a significant grain importer. Saudi Arabia's total grain imports last year are estimated at 3.5 million tons—more than half the volume imported by Egypt. The U.S. share of Saudi agricultural imports declined from 24 percent in 1974 to about 9 percent in 1980, as deliveries by the EC, Australia, and Brazil increased.

Egypt is the second largest agricultural importer in the region. Its imports rose more than 30 percent in 1980 to about $3.4 billion—ten times the average value during 1970-72. Egypt's agricultural imports have also become more diversified, with striking gains made for livestock products, horticultural items, pulses, corn, tobacco, and processed foods.

The U.S. share of Egypt's agricultural imports declined from about 40 percent in 1974 to 23 percent in 1980, partly because of dramatic inroads by subsidized farm products from the EC. While U.S. farm exports to Egypt increased 28 percent to $770 million last year, EC shipments exceeded $1 billion.

Algeria's agricultural imports approached the value of Egypt's in 1980, nearly doubling the 1979 value to reach about $3 billion, mostly because of larger purchases from the EC. Iran's total agricultural imports have stayed above $2 billion in recent years.

The EC Emerging as Region's Biggest Supplier

The EC's agricultural exports to the Middle East and Northern Africa totaled about $5 billion in 1980—nearly double the U.S. value. Its exports of wheat, wheat flour, barley, poultry meat, sugar, and dairy products made strong gains, partly because of subsidy programs and export restitution payments. After Egypt, Saudi Arabia was the EC's second largest Middle Eastern market with purchases of nearly $1 billion. The EC's agricultural exports to Iran, Kuwait, the UAE, Yemen Arab Republic, Oman, Libya, Morocco, Syria, and Turkey considerably exceeded those from the United States. In 1981, EC farm exports to the region may reach $7 billion as deliveries of wheat and dairy products to Northern Africa are expected to be much larger.

Australia's farm exports to the region increased sharply in 1980, reaching nearly $2 billion. Its exports of wheat and flour to the region surpassed 4 million tons last year. Australia picked up much of Iran's wheat trade when trade with the United States halted. Iran, Iraq, Saudi Arabia, and Egypt each bought about $300 million worth of agricultural products from Australia in 1980.

France exported over 4 million tons of wheat and flour to the region in 1980. Some smaller suppliers, especially Greece, Spain, Brazil, Chile, and Turkey, have also been increasing their agricultural exports to the Middle East recently.

Imports of Grain and Poultry Meat on the Rise

Total imports of wheat and flour by the Middle East and Northern Africa increased about 2 million tons in 1980 to over 18 million tons—exceeding Soviet wheat imports of 15 million. U.S. exports of wheat and flour to the region fell 21 percent to 3.7 million tons, but a rebound to 6 million tons is anticipated this year.

Imports of rice by Middle Eastern countries continued to rise in 1980, mostly because of larger purchases by Iraq, Saudi Arabia, and the UAE. The region's rice imports increased about 16 percent to over 2 million tons, mostly because of larger deliveries by Asian suppliers. U.S. exports of rice to the region fell 8 percent last year to 716,000 tons, but higher prices caused the value to rise 5 percent to $359 million.

The EC captured much of the growth in imports of feed grains by Northern Africa, Iran, Saudi Arabia, and Lebanon in 1980, but the United States sharply increased its sales of corn to Egypt, Jordan, and Kuwait. Total imports of feed grains by the region increased more than 20 percent in 1980 to more than 7 million tons. U.S. corn exports to the Middle East and Northern Africa increased 66 percent last year to 2.4 million tons, including nearly 1 million tons to Egypt alone. Larger sales of corn to Egypt, Algeria, Iran, and Jordan may boost U.S. feed grain shipments to nearly 4 million tons in 1981.

Because efforts to bolster local output of meat and dairy products have not been sufficient to satisfy demand, imports of these commodities continue to soar. The region's poultry meat imports increased more than 20 percent in 1980 to about 650,000 tons—including about 200,000 tons by Saudi Arabia and over 70,000 tons each by Egypt, Iran, Iraq, and Yemen Arab Republic. U.S. exports of frozen poultry to the region quadrupled during 1980—reaching 97,000 tons valued at $129 million—up from 24,000 tons valued at $29 million the year before. Egypt bought about half of the poultry sold to the region, as its purchases from the United States soared from 16,000 tons in 1979 to 48,000 tons in 1980. In 1981, Middle Eastern imports of poultry meat may reach 800,000 tons; U.S. shipments to the region may rise 50 percent.

Imports of other commodities are also making excellent gains. Iraq became the leading export market for U.S. eggs in 1980. Saudi Arabia has become our top export market for honey, peanut butter, and some processed foods, and it may soon greatly expand purchases of U.S. butter, eggs, and frozen foods. Kuwait is a major market for U.S. corn and potato chips, and the UAE has become a large market for U.S. apples and pears. *[John B. Parker (202) 447-8054]*

Upcoming Situation Reports

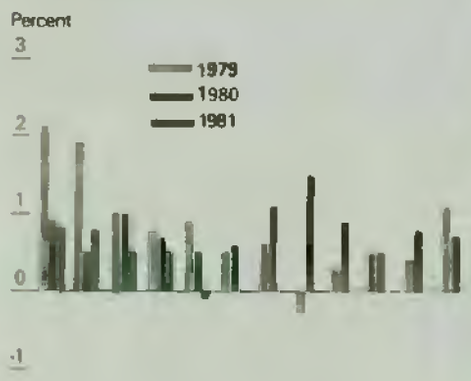
USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Wheat	July 21
Vegetable	July 30
Ag Supply & Demand*	Aug. 13
Livestock & Meat	Aug. 14
Feed	Aug. 18
Export Outlook*	Aug. 19

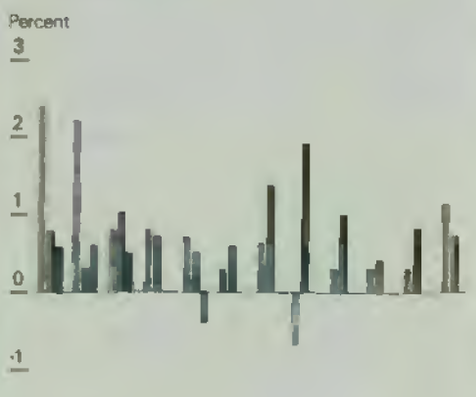
All reports reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ERS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. *These reports, released by the WAOB, are issued in full on the date indicated.

Food and Marketing Indicators

CPI: Total Food[O]

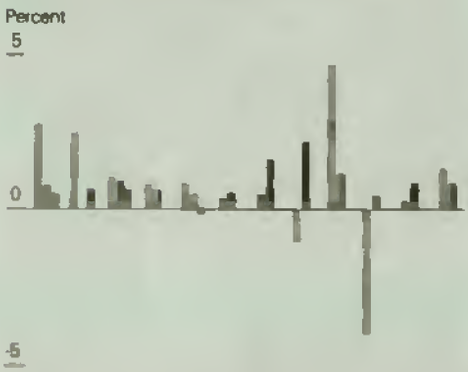


CPI: Food at Home[O]

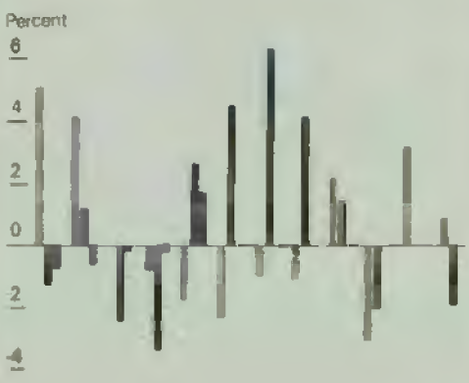


CPI: Food Away from Home[O]

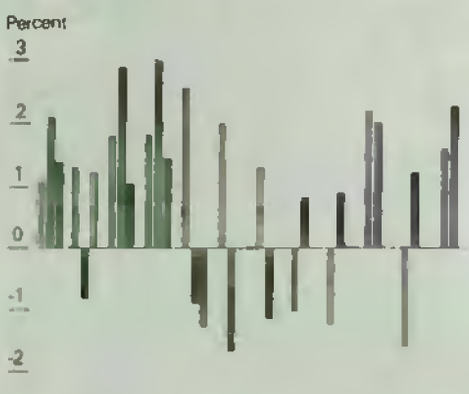
Farm Food Market Basket, Retail Price



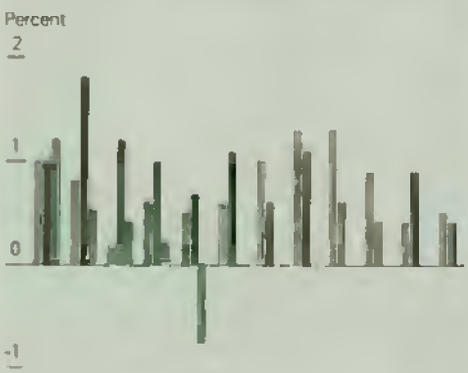
Farm Value



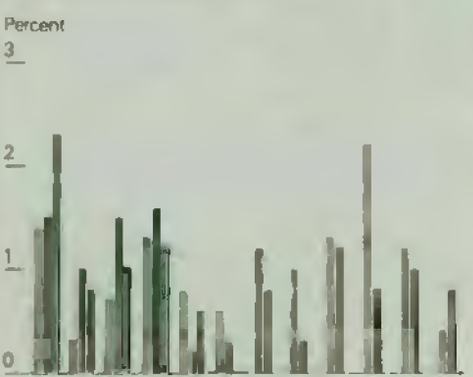
Farm-to-Retail Spread



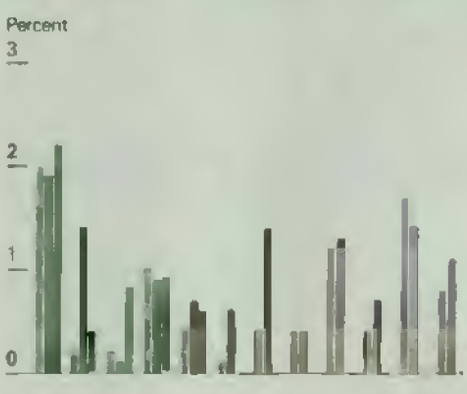
Imported Food and Fishery Products



Marketing Cost Index

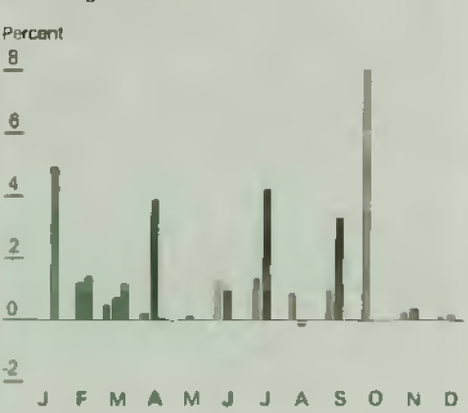


Labor Cost



Packaging Cost

Rail Freight Rates



Energy Rates

[O]CPI unadjusted.
All series expressed as percentage change from previous month.

To learn about PDF Compression and OCR go to our website

General Economy

The short-term economic outlook remains stagnant. Real GNP will likely show little or no growth during the second and third quarters, with the third quarter perhaps picking up a little as anticipated lower interest rates promote greater consumer and investment spending.

Consumption Outlook:
Pent-Up Demand Could Provide Strength
In analyzing the current economic situation, it is important to note that the strong upsurge in economic activity during the first quarter was heavily centered in the month of January. In January, inflation-adjusted personal consumption expenditures--which represent roughly two-thirds of GNP--soared at an annual rate of 11.7 percent. However, from February through April, consumption declined at an annual rate of 1.8 percent, while preliminary data for May indicated that inflation-adjusted consumption was roughly flat. Slow real income growth and a rise in the personal saving rate from 4.3 percent in January to 5.1 percent in May are primarily responsible for this stagnation in real consumer spending.

Consumer purchases of durables, particularly autos, have been falling rapidly with the phase-out of auto rebates, high sticker prices, and the rise in interest rates during April and May. Nevertheless, there is much pent-up demand for consumer durables, as evidenced by the surge in auto sales earlier in the year. Therefore, lower interest rates in the third quarter and possible reinstatement of rebates if auto sales continue their second-quarter slide could lead to a rebound in the second half.

Furthermore, consumers have significantly improved their debt-to-income ratio since its peak in February 1980. Given the strong pent-up demand for consumer durables and the overall improvement in consumer finances, a sharp and prolonged downswing in consumer spending is unlikely.

Housing, Investment, and Net Exports Also Dampening the Outlook
Other contributors to the stagnant short-run outlook are the recent sharp declines in residential construction, the anticipated slowdown in nonresidential fixed investment this quarter, and the lack of gains in U.S. exports.

The housing sector is particularly depressed. In fact, May's housing starts of 1.15 million units (annual rate) are reminiscent of the low levels normally associated with severe recessions or credit crunches. With housing starts still far below the January rate of 1.66 million units, the second and third quarters will likely reveal a large decline in residential construction activity from the first quarter.

High interest rates--which hurt both home buyers and home builders--and record withdrawals and negative profits at savings and loans are primarily responsible for the dismal short-run housing outlook. This in turn will tend to depress related industries such as furniture, appliances, and lumber. The housing outlook is expected to improve somewhat in the second half of the year as interest rates decline and the current excess stock of unsold housing units is reduced.

For the rest of the year, nonresidential fixed investment is expected to grow much more slowly than the first quarter's 13.4 percent annual rate. A substantial part of the strong growth in business fixed investment was in automotive purchases spurred by the rebate period. Moreover, surveys conducted by the Commerce Department in April and May indicate that business firms are still planning to add only 1 percent to their inflation-adjusted plant and equipment expenditures in 1981. These survey results are consistent with the low level of capacity utilization, the high cost of external funds to firms, and the stagnant short-run outlook for economic growth. Furthermore, although corporate profits rebounded sharply in the first quarter, nominal profit levels (with inventory and depreciation adjustments) are still roughly at first-quarter 1980 levels.

Finally, the net export position of the United States is forecast to grow little during the rest of the year, in sharp contrast to the $2.4-billion jump in the net exports for the first quarter. The main reasons are the outlook for poor short-term real growth abroad--especially in Western Europe--and the sharp appreciation of the dollar in recent months against other major currencies.

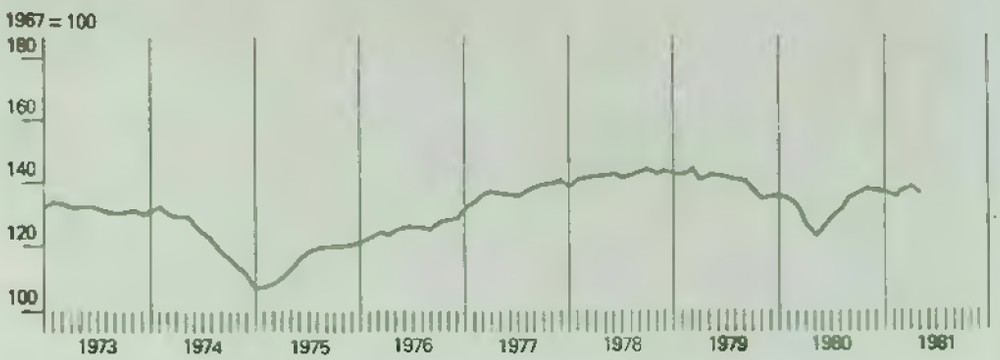
Lower Interest Rates Expected Next Quarter
The outlook is for generally declining interest rates through the third quarter, with a mild upturn likely in the fourth. However, given the Federal Reserve Board's heavy reliance on short-run and intermediate targets of bank reserves and money supply measures, interest rates probably will remain volatile.

The spring surge in money supply growth and interest rates was largely due to the surprisingly strong growth in first-quarter GNP and various technical factors, and not to any economic strength in the second quarter. If the growth of money and private credit demand slows down through the third quarter as expected, the Federal Reserve should be able to ease its short-term monetary policy from the restrictive conditions of April and May.

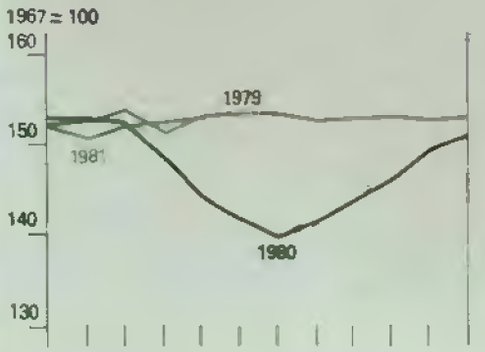
Since sales activity was much stronger in the first quarter than anticipated, business firms undoubtedly experienced greater volatility in their day-to-day cash positions, with cash holdings dropping more often to unacceptably low levels. This greater volatility led to attempts to rebuild cash holdings in the second quarter, which tended to pressure interest rates as firms retained more of their internally generated funds instead of investing them and increased their demand for short-term credit.

General Economic Indicators

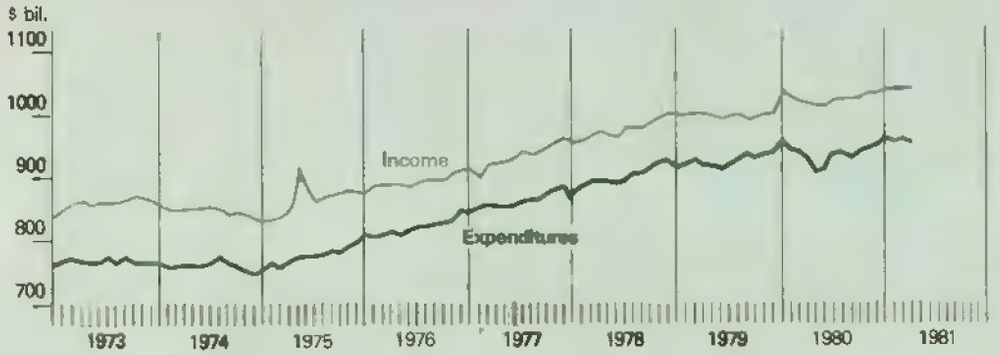
Composite Leading Economic Indicators



Industrial Production

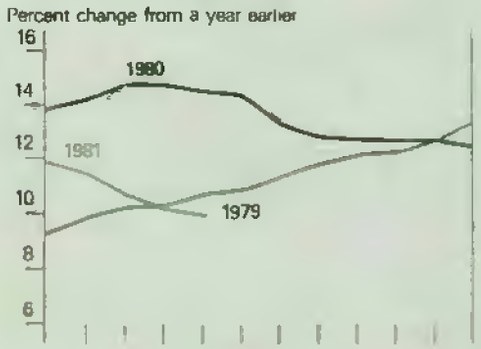


Disposable Income and Consumption Expenditures[1,7]

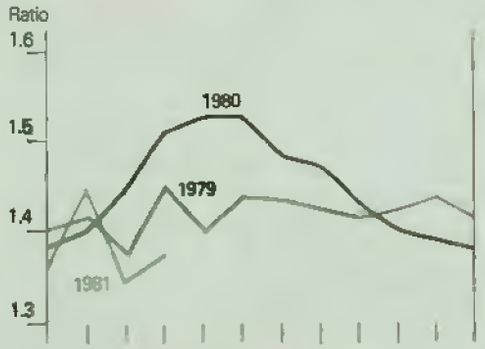


Manufacturers' Durable Goods Orders[2]

Consumer Price Index

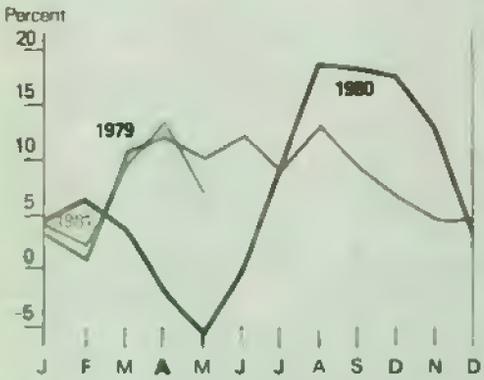


Inventory/Sales[3]



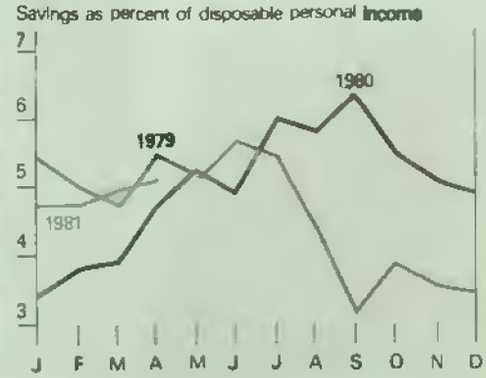
Unemployment[4]

Money Supply (M1-B)[5]



Treasury Bill Rate

Savings Rate[6,7]



[1]Billions of 1972 dollars, seasonally adjusted at annual rates. [2]Billions of 1967 dollars (Current dollars deflated by seasonally adjusted producers price index for capital goods) [3]Manufacturing and trade, seasonally adjusted at annual rates. [4]Seasonally adjusted [5]Annual rate of change in 3-month moving average. [6]Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. [7]Estimate for latest month. Sources are the U.S. Department of Commerce, the U.S. Department of Labor, and the Board of Governors of the Federal Reserve System.

To learn about PDF Compression and OCR go to our website

In addition, various technical factors—likely to diminish in coming months—influenced money growth in early spring. One such factor was the sharp growth of NOW (negotiable orders of withdrawal) accounts, particularly NOW accounts converted from savings deposits. A second factor was the April tax period. Business firms normally build up bank accounts just before tax payment. In addition, the Treasury sends out most of its tax refunds during March-May. Thus, because these factors increase the variability of money balances around tax time, seasonal adjustment of monetary aggregates is particularly difficult in the spring.

Agricultural Interest Rates Less Volatile

Although interest rates may ease in coming months, farmers should not expect their borrowing costs to fall as much as the moderate decline expected for the prime rate—just as agricultural rates did not rise as much as the prime did during the spring.

Agricultural interest rates are less volatile than the prime rate for several reasons. First, farm production loans at commercial banks tend to be for longer periods than short-term nonagricultural loans. Generally, the longer the maturity of a loan, the less impact changes in short-term borrowing costs have on the financial institution's expected average cost of funds over the term of the loan. Second, nonagricultural banks tend to be larger and more dependent on sources of funds with volatile interest rates—including large certificates of deposit and commercial paper.

Finally, rates on Farm Credit System loans usually vary according to the average cost of funds to the Farm Credit System plus charges to cover fixed expenses. Therefore, as rates fall, the average cost of funds will fall less than the marginal cost. Interest rates at Production Credit Associations (PCA's) can be expected to fall more than those at Federal Land Banks, because of the shorter debt structure of PCA's. *[Paul A. Sundell (202) 447-2317]*

Recent Publications

USDA's Economic Research Service and Statistical Reporting Service publish a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to EMS Publications, Room 0054-South, U.S. Department of Agriculture, Washington. D.C. 20250. Be sure to list the publication number and provide your zipcode.

Agricultural Economics Research. Vol. 33, No. 2, April 1981.

1980-81 Directory of Professional Workers in State Agricultural Experiment Stations and Other Cooperating State Institutions. AH 305.

World Trade in Major U.S. Crops: A Market-Share Analysis. ESS 7.

A Statistical Profile of Substate Regional Organizations. ESS 8.

Consortium on Trade Research: Macroeconomic Linkages to Agricultural Trade. ESS 10.

Selected Agricultural Statistics on Portugal 1965-77. SB 664.

Farm Real Estate Taxes, 1979. SB 666.

Inputs Used in U.S. Farm Production: A Bibliography of Selected Economic Studies. 1950-80. Bibliographies and Literature of Agriculture No. 19.

A Systems Analysis of Grain Reserves. TB 1611.

Impact of Household Size and Income on Food Spending Patterns. TB 1650.

State Reports

To order publications issued by a State write directly to the address shown. No copies are available from the Department of Agriculture.

Iowa Fertilizer Report: Fertilizer Laboratory Analyses for Period July 1 to December 31, 1980. FA 80-2. Iowa Department of Agriculture State Chemical Laboratory, Wallace Building, Des Moines, Iowa 50319.

Corn, Wheat and Oats County Estimates 1975-1980. New York Crop Reporting Service, Bldg. 8, State Campus, Albany, New York 12235.

1980 Texas Fruit and Pecan Statistics. Texas Crop and Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

Microfiche

The following are available FOR SALE ONLY from National Technical Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, VA. 22161.

Cost of Reducing Grain Feeding of Beef Cattle. (AER 459) Accession No. PB 81 132193. 27 p. Paper $6.00, Fiche $3.50.

Foreign Ownership of U.S. Agricultural Land, February 1, 1979, Through February 1,1980. (AB 440) Accession No. PB 81 130031. 38 p. Paper $6.00, Fiche $3.50.

Fewer, Larger U.S. Farms by Year 2000 — and Some Consequences. (AB 439) Accession No. PB 81 131021. 19 p. Paper $5.00, Fiche $3.50.

Trends in Fresh Fruit and Vegetable Transportation, 1963-75. (ESS 1) Accession No. PB 81 129850. 12 p. Paper $5.00, Fiche $3.50.

Consortium on Trade Research. (ESS 2.) Accession No. PB 81 129983. 32 p.

Cheese Pricing. (AER 462) 41 p. Accession No. PB 81 156 580. Paper $6.50, Fiche $3.50.

Inflation: A Food and Agricultural Perspective. (AER 463) 43 p. Accession No. PB 81 167 447. Paper $8.00, Fiche $3.50.

Rural and Small Town Population Change, 1970-80. (ESS 5) 1 sheet fold. Accession No. PB 81 161 713. Paper $5.00, Fiche $3.50.

Trade Restrictions in International Grain and Oilseed Markets: A Comparative Country Analysis. (FAER 162) 41 p Accession No. PB 81 161440. Paper $6.50, Fiche $3.50.

Inputs

FARM MACHINERY

Unit sales of farm machinery in 1981 may pick up slightly from last year's very low levels, but will remain considerably below 1979. The change is expected to range from zero for moldboard plows to an increase of 17 percent for corn heads. Tractor sales could rise 6 percent for four-wheel drive models and 1 percent for two-wheel drive units.

Farm machinery sales in 1979 were higher because the U.S. agricultural economy was strong throughout most of the year. Record corn and soybean crops and the third best wheat crop, coupled with good prices, contributed to the high level of sales.

Given last year's 30-percent drop in net farm income (after inventory adjustment, preliminary estimate), sales of nearly all farm machines declined substantially. Total tractor sales were down 12 percent. Two-wheel drive tractors (over 40 horsepower) were off 15 percent and four-wheel drive units 5 percent. Combine sales dropped 20 percent and forage harvester sales 24 percent.

Annual Machinery Sales: Some Growth Anticipated For 1981

Machinery Item	Percent change from previous year		
	1979	1980	1981 Estimate
Total farm tractors[1]	+7	-12	+1
Two-wheel drive tractors[2]	-3	-15	+1
Four-wheel drive tractors	0	-5	+6
Self propelled combines	+2	-20	+12
Corn heads	+6	-23	+17
Field cultivators	-12	-20	+5
Chisel plows	-9	-21	+13
Disk harrows	+13	-27	+4
Moldboard plows	-4	-24	0
Balers (Under 200 lbs. bales)	-11	-25	0
Balers (200 lbs. and over bales.)	+25	-23	+10
Mower conditioners	+2	-24	+5
Forage harvesters	+7	-24	+4
Windrowers	-1	-18	+6

Source: Farm and Industrial Equipment Institute, Chicago, Illinois, May 1981, "State of the Industry Update," and "Unit Retail Sales," reports May 21, 1981.

[1] Includes sales of wheel tractors under 40 horsepower. [2] Over 40 horsepower.

The machinery sales slump continued through the first quarter of 1981, with sales of 2-wheel drive tractors (over 40 horsepower) 20 percent below the first quarter of 1980 and forage harvester sales down 28 percent. However, first-quarter 1981 sales of combines, balers, and windrowers climbed 5, 10, and 11 percent, respectively, from a year earlier. Industry forecasters expect sales to strengthen in the latter half of 1981, resulting in modest year-to-year gains for most items.

Tractors: More Four-Wheel Drive Sales

Although unit sales were off in 1980, prices of tractors and self-propelled machinery rose an average of 12 percent and other machinery prices 11 percent. This increase about matched that for total production expenses. As of March 15, 1981, machinery prices were averaging 10 to 11 percent above a year earlier.

However, tractor price increases from March 1980 to March 1981 failed to match the rate of increase for some materials used in producing tractors. For example, while tractor prices increased 10 percent during this period, the cost of component tractor parts climbed 16 percent.

The rising demand for large tractors due to increases in average farm size is likely to boost sales of four-wheel drive units relative to higher horsepower, two-wheel drive models. During the 1970's, sales of four-wheel drive tractors consistently increased at the expense of two-wheel drive models.

Unit sales of four-wheel drive tractors are projected to reach or exceed 1979 levels this year, while sales of two-wheel drive units could be 15 to 20 percent below the 1979 level.

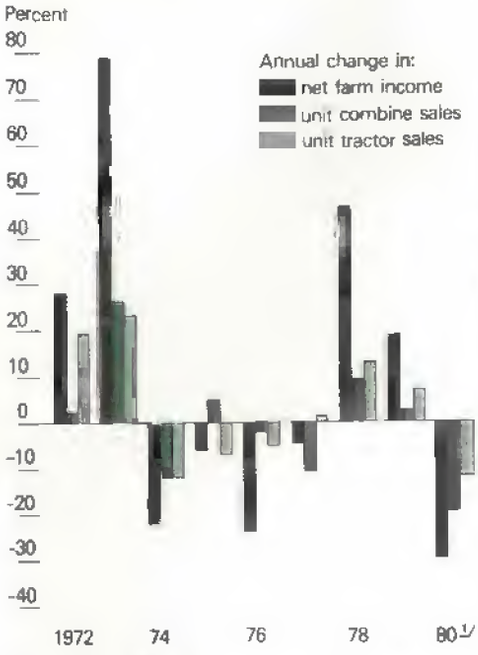
Silage and Hay Equipment: Larger Balers Gaining

Purchases of equipment used to harvest and process grass for silage and hay declined 15 to 25 percent last year. Sales of mower conditioners and forage harvesters are not expected to pick up much in 1981. However, unit sales of balers that make bales of 200 pounds and over are projected to increase 10 percent during 1981, while those of balers making 200-pound-or-less bales will probably remain unchanged; this trend is due to increasing farm size and the reduced storage and handling required with large balers.

Economic Conditions Restraining Industry Gains

Machinery sales generally reflect changes in net farm income, with possibly a slight lag. Most machines are purchased to replace existing stock, so purchases can usually be delayed during a year or two of poor farm income. Increased interest costs make credit purchases less desirable, so machinery purchases have become even more dependent on current income in recent years. And with the cost of machinery rising sharply, an attractive alternative for farmers has been to lease equipment rather than make cash purchases or apply for intermediate-term financing.

Machinery Sales Reflect Changes in Net Farm Income



1/ Based on preliminary estimate of net farm income.

Over the past several years, economic pressures have plagued manufacturers of farm machinery; strikes, high interest rates, decreased farm demand, and overly optimistic plans have all taken their toll on the industry. Machinery manufacturers have had to take drastic measures: bankruptcy, selling off unprofitable divisions (including farm machinery), and restructuring to obtain extended financial arrangements. With present inventories and lower-than-anticipated demand, several major manufacturers will be extending vacation closings of farm-equipment plants to cut costs in the near term.

Overall, the outlook for the farm equipment industry this year points to a turnaround from 1980's steep drop, but slower growth than in 1979. Because of the limited potential for total market growth, the profitability of individual manufacturers will hinge primarily on their ability to increase market shares. The most pressing problems are high interest rates and the prospect of little improvement in 1981 farm income. *[Ted Eichers, Bill Seitetis, and Carl Vosloh (202) 447-7340]*

Transportation

With harvest of winter wheat well underway, the U.S. transportation system's capacity is greater than any time in the last several years. Although the number of 40-foot narrow-door boxcars (useful to small country elevators) continues to decline, covered hopper cars have increased 10 percent from 1980. About 27,000 100-ton covered hopper cars were free for immediate use in mid-June. Car shortages are expected to be short-lived and sporadic as the pace of harvest quickens, but some areas formerly served by the bankrupt Milwaukee and Rock Island Railroads won't have rail service this year.

In June, about 900 barges (more than 50 percent less than usual) were waiting to be unloaded at Lower Mississippi River terminals. More than 8,000 covered barges with a total capacity of more than 11 million tons (385 million bu.) of dry cargo are available.

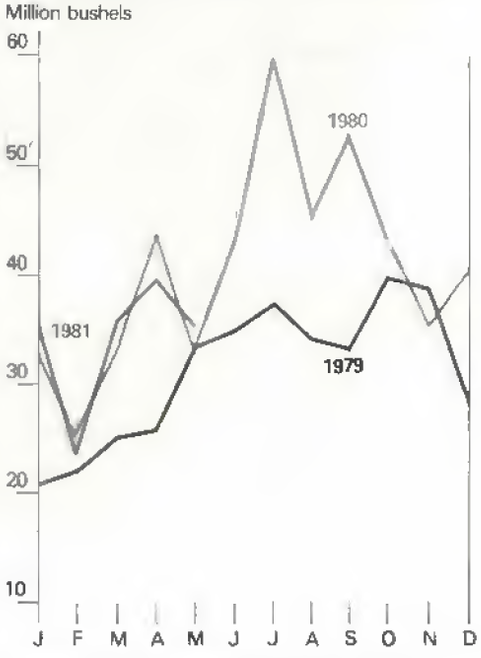
Grain storage space also appears ample. In mid-June, 64 percent of all commercial storage capacity was empty, compared with 57 percent a year ago.

The outlook for shippers of fresh fruits and vegetables is slightly less optimistic. Although deregulation of shipping by both railcars and trailers-on-flat-cars (piggyback) has expanded railroads' share of produce traffic, trucks still carry more than 80 percent of all shipments. Deliveries of new refrigerated van trailers in first-quarter 1981 averaged 20 percent below 1980's low levels. The possible drop in refrigerated trailers available suggests that the slight truck shortages that some California shippers have faced could recur this summer.

Truck Rates Likely Stable

Although wholesale fuel prices are declining somewhat, little reduction from current truck rates for hauling fruits and vegetables is likely. In recent months, fuel has accounted for 28 percent (30 cents a mile) of total refrigerated truck operating costs. Interest charges, vehicle depreciation, and driver costs—all related to general interest rates and prices—make up 45 percent of total costs. Because interest and depreciation charges are essentially fixed, costs are unlikely to fall in the near future.

Barge Loadings Remain Near Year-Ago Levels



Average weekly loadings of grain and soybeans.

Railcars Available for Use

	May 15, 1980	May 15, 1981
40-ft. narrow-door boxcars. . .	49,511	38,506
Jumbo covered-hopper cars. . . .	200,973	220,256

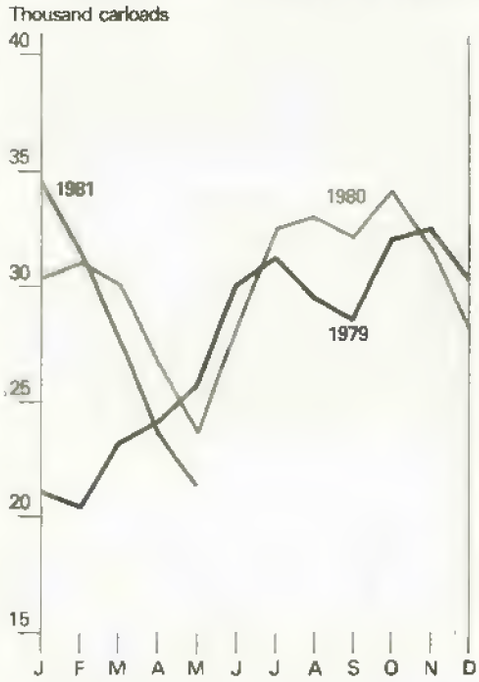
Another factor is that rates produce truckers charge are determined in the short-run by supply and demand. For example, rates during November 1980-April 1981 were apparently below costs, reflecting excess available trucks. But now that some railroads have announced rate increases for deregulated traffic, shippers may be seeking additional trucks—putting more upward pressure on truck rates.

Rail Rates To Continue Up

Effective June 5, railroads raised all joint rates (for shipments made over two or more rail lines) by 1.1 percent. These increases were made under the Staggers Rail Act of 1980, which permits almost automatic rate increases every quarter. By separate actions, rates for single-line shipments also rose 1.1 percent. These broad increases now total 9 percent for the year. All railroads plan to increase joint line rates by 2.8 percent on July 1, and further hikes are anticipated for September and December.

Also under the Staggers Act, CONRAIL has imposed a 6-percent surcharge on grain shipments and additional surcharges ranging from $300 to $1,800 a car on certain unprofitable lines. Additional surcharges on certain track segments, ranging between $80 and $3,380 per car have been filed to take effect August 1. However, CONRAIL has reduced rates 50 percent or more for some grain carried exclusively on its tracks. These reductions will expire September 26.

Railcar Loadings Continue Below a Year Ago



Weekly average railcar loadings of grain and soybeans.

Ocean Freight Rates To Rise

With U.S. coal mines back in operation and coal exports expanding, rates ocean vessels charge for carrying all bulk commodities are again rising.

Between the first quarter of 1979 and the fourth quarter of 1980, rates for shipments from U.S. Gulf ports to Japan and Antwerp-Rotterdam-Amsterdam rose from $14.97 and $9.06 per metric ton, respectively, to $32.93 and $19.20. During 1980, rates on these routes averaged $27.81 and $17.42 per metric ton.

In first-quarter 1981, charges for these trade routes averaged $29.76 and $18.55. Preliminary indications are that rates continued to fall through the first 2 months of the second quarter, but are now rising and are expected to return to 1980 average levels. The 1979-80 increases were dampened by continued increases in the carrying capacity of the world merchant fleet—18 percent since 1975. *[T.Q. Hutchinson (202) 447-8487]*

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the August *Agricultural Outlook* comes off press.

July

21	Eggs, Chickens & Turkeys
23	Livestock Slaughter
24	Peanut Stocks & Processing Sugar Market Statistics
27	Cattle
30	Commercial Fertilizers
31	Agricultural Prices

August

1	Poultry Slaughter Dairy Products
7	Vegetables
12	Crop Production
13	Egg Products Cattle on Feed Milk Production
14	Commercial Apples
19	Livestock Slaughter
20	Rice Stocks Cold Storage

To start receiving any of these reports, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250. Ask for the report (s) by title.

The Cattle Cycle: Managing Herd Expansion in the 1980's

Since the most recent cattle cycle reached its trough in January of 1979, herd expansion has been slow—held back partly because of last year's drought. Cattle numbers are expected to peak again some time after 1985, perhaps as late as 1987, likely to be followed by a modest liquidation in 1988 and 1989. Although cattle numbers may continue expanding until the mid-1980's, profits may turn unfavorable earlier than that.

Since 1949, there have been three cattle cycles; eight since the turn of the century. Price fluctuations resulting from these cycles have caused the value of the cattle inventory to vary 50 percent in current dollars—25 percent in 1972 dollars. Consumer expenditures for beef have varied similarly.

The cattle cycle is caused by the biological time lag in beef production, coupled with producers' decisions to expand or liquidate their herds as economic forces dictate. If only internal factors—cattle prices and inventory levels—affect the cycle, the degree of cyclical adjustment is usually minor. But when external forces are also involved, sharp inventory adjustments can result.

Mechanism of the Cycle:
The Biological Factor

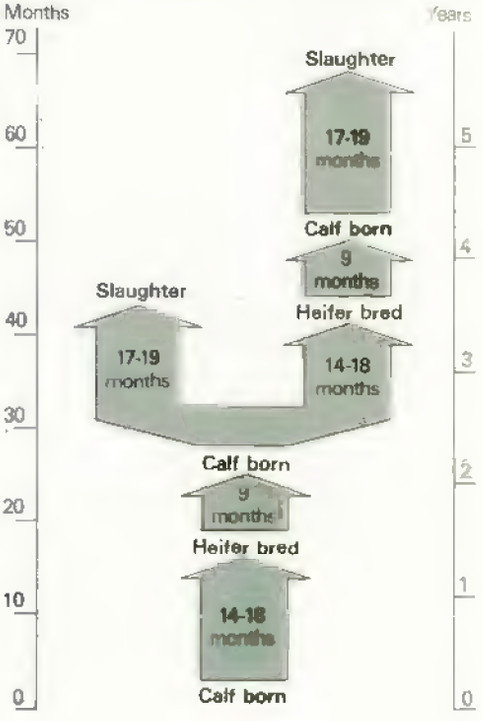
Heifers are usually bred when they are 14 to 24 months old, and their gestation (pregnancy) period is 9 months. From birth, calves reach slaughter weight in 17 to 19 months or longer, depending on the feeding program and the individual calf's rate of gain. During herd expansion, more heifers are shifted from the feedlot to the breeding herd. This lowers cattle slaughter, which raises prices, leading producers to continue expanding their herds.

About 27 months can elapse from the time a heifer is bred until her first calf reaches slaughter weight. If that calf is then retained for herd expansion rather than being slaughtered, it could be another 27 months before her offspring reaches slaughter. This biologic lag can cause beef production to continue increasing well beyond the time when price signals change. That is what happened during 1974-76; beef cattle numbers kept rising despite lower cattle prices and large financial losses to cattlemen.

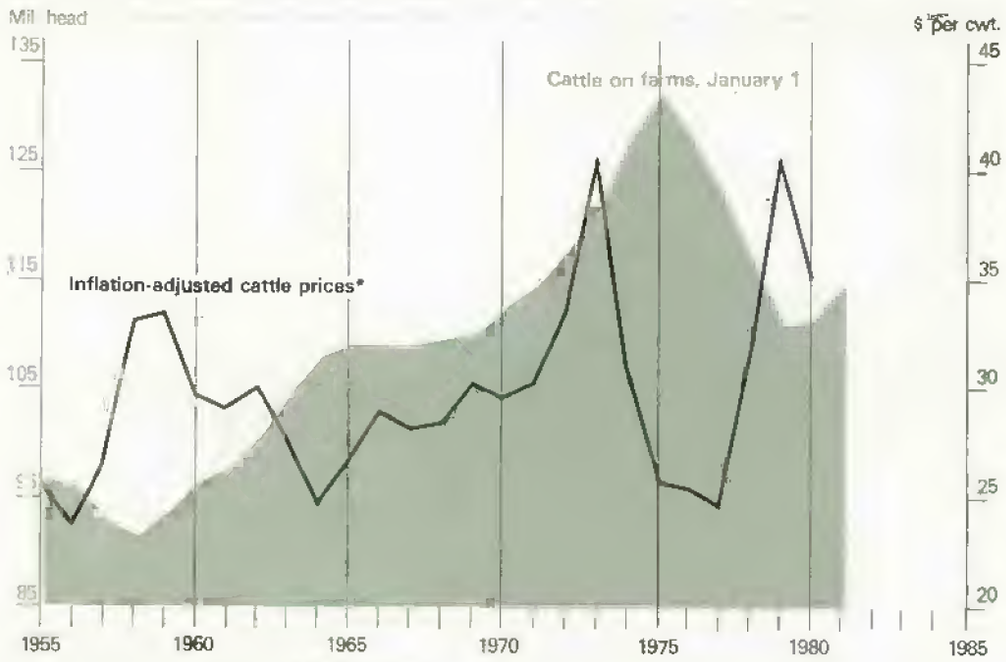
If this lag is the only factor affecting cattle prices and inventories, the degree of adjustment in the cattle cycle is usually minor. Such was the case in the mid-1960's when growth of the cattle herd was stabilized with negligible liquidation. In such circumstances, population growth also usually tempers the liquidation phase of the cycle.

Supplies and prices of competing meats, principally pork and poultry, can stabilize or destabilize cyclical changes in beef production. In 1974, hog slaughter increased, intensifying the forces leading to cattle herd liquidation. When the hog cycle peaked again in 1979-80, the large supply of pork tempered the rise in beef prices, which likely is retarding expansion of the cattle herd somewhat in 1981.

Biology Sets the Pace of Herd Expansion



The Cattle Cycle:
Biological Lag Precludes Quick Reaction to Price Signals



*Farm prices adjusted with GNP implicit deflator.

External Forces Play a Major Role

The extent of cattle herd liquidation usually depends on the number and severity of external factors involved. Combinations of negative outside factors, led by widespread drought, contributed to a major herd liquidation in the mid-1950's and caused the record liquidation of the mid-1970's.

While it is impossible to project the exact nature of cattle herd liquidation in the 1980's, it seems likely that, as a percent of the peak inventory, it should be less than in the 1970's. The probability that so many negative factors will hit simultaneously again is low. All of the following exerted some negative influence on the cattle cycle in the 1970's.

- *Weather.* As already noted, major droughts influenced the turn of the cattle cycle in the mid-1950's and again in the mid 1970's. The extent to which drought is centered in major cow-calf areas, such as the central and southern Great Plains, determines the scope of its impact on the entire industry. Although drought-reduced grain production also affects the cattle industry through higher feed prices, drought damage to forage output has the greatest impact.

- *Feed grain exports.* In recent years, exports' share of domestic feed grain production has increased relative to livestock use. Since the mid-1970's, the increasing foreign demand for U.S. feed grains has raised costs to domestic livestock producers. Demand for feed grain exports is expected to remain strong throughout the 1980's.

- *Feed prices.* Feed prices are affected by export demand, domestic livestock use, and production, which is partly determined by weather. Sharply higher feed grain prices in the early 1970's coupled with the drought-induced supply reduction and strong foreign demand, were major negative factors for livestock production. However, judicious management of the farmer-held grain reserve—initiated in 1978—should help to stabilize feed grain prices in the 1980's.

- *Consumer income and expenditures.* Because consumer expenditures for meat tend to be a rather stable, but declining, percentage of income (4 to 5 percent), forecasts of consumer income levels are one of the principal components of demand analysis for beef. Consumer incomes are expected to continue upward, but perhaps at a somewhat slower rate than in the recent past. Further, as incomes rise, the percentage of income devoted to food purchases declines.

- *Consumer preference.* Most industry observers agree that consumers' preference for beef has been on the upswing since World War II. Shifts in supplies of the various meats have altered consumption levels at times; however, this does not imply a change in the basic demand structure. Although supplies available for consumption can change greatly during the expansion or liquidation phase of a cycle, consumer preferences change more slowly over time.

Cycle Varies by Enterprise

The pattern of cattle numbers during a price-production cycle may vary considerably by type of enterprise. Dairy farmers contribute to beef production by culling their herds. Dairy cows are culled on a more regular basis than beef cows because milk is the primary product, although culling of marginal cows may increase when cow prices rise. Following are profiles of three types of beef cow enterprises:

- *Small beef cow herds on forage land that cannot be cultivated.* Small herds are often supplemental enterprises ranging from a few to perhaps as many as 50 cows. The stocking rate is based mainly on the pastureland's carrying capacity; thus, weather is the predominant factor determining changes in cattle numbers for this type of enterprise.

If the producer considers the enterprise supplemental to another activity, prices must decrease below direct cash costs to affect production decisions; no overhead or investment costs need be considered. Such price levels are quite unlikely. In 1981, direct cash costs (after allowing for cull cow sales) are estimated at $59 per cwt. per feeder calf sold in the Southeast; $42 for feeder calves raised in the Corn Belt. The majority of such operations are located in these two regions.

Producers do have the option of shifting from cow-calf production to a stocker operation. Alternatively, the pastureland could be rented to other producers.

• *Larger herds on forage land that cannot be cultivated.* Such operations are mainly in the Southwest, Great Plains, and western range country. They are often the only enterprise or are combined with wheat production. The economic incentive to produce in any one year exists as long as cash costs, including general farm overhead plus family labor, are covered (after allowing for cull cow sales, these costs are estimated at $64 in 1981 for the Southwest, $65 for the West, and $43 for the Great Plains, per cwt. of feeder calf sold.) The comparable costs for similar operations in the Southeast and Corn Belt are $84 and $63, respectively. In the longer term, investment costs for facilities, equipment, and breeding stock also must be covered.

In case of severe financial losses, the pasture or rangeland could be leased or shifted to a stocker operation. However, once the cow herd is liquidated, reinvestment costs probably would be substantial. Since the land is not suitable for cropland, cattle production would likely be maintained. Again, weather is the prime factor in varying the stocking rate.

• *Larger herds on pasture that can be converted to cropland.* A substantial portion of the beef cow herd, located mainly in the Northern Plains, Corn Belt, and Southeast, is on pastureland that can be plowed up for row crops. Since these beef herds are a major enterprise, price expectations in the short run must exceed cash costs plus family labor; long-term prices must be expected to cover investment costs; and expected net returns per acre of forage must equal or exceed those from cropping.

Changes in cattle numbers for this type of enterprise can be much greater than for either the supplementary enterprise or the larger cow-calf enterprise with no viable land-use alternative.

The Cycle in the 1980's

Consumer preference, per capita disposable income, and other factors affecting the total demand for beef probably will determine the trend in cattle numbers during the 1980's. Even if historic income-consumption relationships are maintained, tomorrow's consumer may want a different type of beef, less meat, or a different mix of meat products in the diet.

Current and past demand analyses measure historic relationships between prices, incomes, and quantities of beef and other meats produced. These relationships are then used to project demand at expected income and price levels. The projections will provide good estimates of actual demand if historic relationships hold.

If tastes are changing, as many now suspect, only analyses based on "taste panels" and consumer-preference interviews can identify what quantities and types of beef consumers would like to purchase at various price levels, given their income and budget constraints.

Accurate demand projections could reduce cyclical price variability if production were geared to consumer demand. A massive, well-planned program of information and long-term outlook addressed to producers, processors, and consumers holds the best hope for managing production cycles. Such actions have achieved only limited results in the past because of divergent views and objectives and the lack of long-run outlook information.

Livestock producers have not always reacted collectively to outlook information. But their recollection of the more severe economic hardships associated with the necessary price adjustments in the late 1970's, coupled with the growing number of better-informed managers, could lead a significant number of producers to manage their production levels for the long-term benefit of the industry as well as themselves. *[Richard J. Crom (202) 447-4997]*

Dial 900-976-0404

Call the FARMERS'–900–NEWSLINE for the latest U.S. and world crop, livestock, export, and economic news from USDA. A 60-second summary is available 7 days a week, 24 hours a day. Your cost is 50 cents per call. News items and special features change daily at 4 p.m., Washington, D.C. time. The FARMERS'–900–NEWSLINE will keep you on top of the latest agricultural estimates and analysis from USDA's Crop Reporting Board and the World Agricultural Outlook Board.

Here's the schedule for August:

August 3	Feed Grain Update
4	Crops & Weather
5	Agricultural Outlook
6	Farm News Special
7, 8, 9	Retail Food Prices
10	Farm Trade Update
11	Crops & Weather
12	U.S. Crop Prospects
13	Cattle on Feed
14, 15, 16	World Crop Prospects
17	Livestock Situation
18	Feed Situation
19	Export Outlook
20	Red Meat Production
21, 22, 23	Eggs & Chickens
24	Farm News Special
25	Poultry Situation
26	Cotton Situation
27	Crops & Weather
28, 29, 30	Wool Situation
31	Farmers' Prices

In some areas it might be necessary to dial 1-900-976-0404. Features are subject to change.

Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1980				1981				
	II	III	IV p	Annual p	I f	II f	III f	IV f	Annual f
Prices received by farmers (1967=100)	229	255	263	246	263	260	272	270	267
Livestock and products	234	259	261	251	250	250	275	277	264
Crops	223	251	267	241	278	272	269	264	272
Prices paid by farmers, (1967=100) prod. items	271	280	287	276	294	300	313	317	308
Prod. items, int., taxes, and wages	288	295	302	292	312	316	329	332	324
Farm income[1]									
Cash receipts ($ bil.)	136	143	146	140	142	146-150	153-157	148-153	146-150
Livestock ($ bil.)	66	71	72	69	70	70-72	75-78	74-78	71-75
Crops ($ bil.)	70	72	73	71	72	75-77	77-80	72-76	73-77
Total gross farm income ($ bil.)[2]	149	155	159	154	157	164-167	174-178	172-177	166-170
Production expenses ($ bil.)	130	134	137	132	139	140-144	145-149	147-151	143-147
Net farm income ($ bil.)	19	21	22	22	18	22-24	28-31	24-28	22-27
Net cash income ($ bil.)[3]	30	35	35	33	29	32-34	35-38	28-32	30-35
Market basket (1967=100)									
Retail cost	233.7	242.7	249.2	238.8	253.9	256	265	271	260-267
Farm value	226.5	253.8	255.2	240.3	249.2	247	261	265	253-264
Spread	237.9	236.2	245.6	238.0	256.7	262	268	274	264-269
Farm value/retail cost (%)	36	39	38	37	36	36	37	36	36-37
Retail prices (1967=100)									
Food	250.5	258.2	264.4	254.6	270.5	274	283	289	277-283
At home	246.6	255.6	262.0	251.5	267.2	269	279	285	274-280
Away-from home	264.7	269.6	275.4	267.0	283.9	290	297	303	291-296
Agricultural exports ($ bil.)[4]	9.7	9.5	11.7	40.5	12.6	10.9	10.8	13.0	46.0
Agricultural imports ($ bil.)[4]	4.3	4.0	4.5	17.3	4.7	4.4	4.4	4.6	18.0
Livestock and products									
Total livestock and products (1974=100)	112.0	108.7	110.9	109.6	109.8	113.4	109.8	110.2	110.8
Beef (mil. lb.)	5,251	5,384	5,586	21,470	5,553	5,425	5,425	5,650	22,053
Pork (mil. lb.)	4,299	3,756	4,251	16,431	4,073	3,900	3,500	3,850	15,323
Veal (mil. lb.)	89	95	104	379	100	95	95	105	395
Lamb and mutton (mil. lb.)	77	72	81	310	85	78	70	75	308
Red meats (mil. lb.)	9,716	9,307	10,022	38,590	9,811	9,498	9,090	9,680	38,079
Broilers (mil. lb.)	2,923	2,759	2,685	11,089	2,814	3,025	3,030	2,830	11,699
Turkeys (mil. lb.)	523	705	701	2,303	393	555	710	725	2,383
Total meats and poultry (mil. lb.)	13,162	12,771	13,408	51,982	13,018	13,078	12,830	13,235	52,161
Eggs (mil. dz.)	1,425	1,432	1,483	5,806	1,449	1,425	1,430	1,480	5,784
Milk (bil. lb.)	34.0	32.2	31.0	128.4	32.3	35.4	32.8	31.0	131.5
Choice steers, Omaha ($/cwt.)	64.65	71.15	65.51	67.05	61.99	66.70	68-72	66-70	66-68
Barrows and gilts, 7 markets ($/cwt.)	31.18	46.23	46.44	40.04	41.13	43.00	51-55	49-53	46-48
Broilers, 9-city wholesale (cts./lb.)	41.1	53.3	49.9	46.8	49.3	46.00	51-54	50-53	49-51
Turkeys, N.Y., wholesale (cts./lb.)	54.3	68.3	73.0	63.5	61.3	63.5	66-69	73-76	65-67
Eggs, Gr. A large, N.Y. (cts./dz.)	57.0	70.3	76.9	66.6	72.6	69-71	74-77	76-79	73-75
Milk, all at farm ($/cwt.)	12.60	12.87	13.93	13.00	13.97	13.50	13.65-13.90	14.50-15.50	13.90-14.30

[1] Quarterly cash receipts and expenses are seasonally adjusted at annual rates. [2] Includes net change in farm inventories. [3] Excludes inventory adjustment and non-cash income and expenses. Represents cash available for capital expenditures and operator income. [4] Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. f = forecast. p = Preliminary.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1980	1981					
	1978	1979	1980	June	Jan	Feb	Mar	Apr	May	June p
					1967=100					
Prices Received										
All farm products	210	241	246	232	264	263	262	261	260	258
All crops	203	223	241	228	276	276	281	275	275	265
Food grains	191	229	257	243	282	280	276	276	268	250
Feed grains and hay	184	207	240	224	282	283	282	283	284	276
Feed grains	181	204	235	218	278	279	280	280	278	274
Cotton	245	258	317	279	342	317	321	325	321	324
Tobacco	191	207	221	218	234	234	234	234	235	235
Oil-bearing crops	226	249	247	218	304	294	296	297	291	278
Fruit	224	235	207	224	190	183	202	196	225	212
Fresh market[1]	234	246	212	231	188	179	203	196	231	216
Commercial vegetables	185	194	198	198	246	281	294	234	229	207
Fresh market	208	215	217	219	280	328	348	266	259	223
Potatoes[2]	202	178	249	236	357	378	402	416	404	422
Livestock and products	217	257	251	237	253	252	246	250	247	253
Meat animals	226	280	262	250	253	252	245	254	252	261
Dairy products	210	239	259	248	280	278	274	270	268	266
Poultry and eggs	185	192	193	169	213	210	206	202	194	199
Prices paid										
Commodities and services, interest, taxes, and wage rates	219	250	281	278	299	300	302	304	304	306
Production items	217	249	277	272	293	294	296	299	299	300
Feed	183	204	230	214	265	264	259	261	264	259
Feeder livestock	221	293	281	267	274	270	267	272	262	261
Seed	273	286	309	312	316	316	316	375	375	375
Fertilizer	180	195	243	248	247	247	262	262	266	266
Agricultural chemicals	147	150	176	162	162	162	171	171	176	176
Fuels & energy	212	276	380	386	405	427	436	437	435	432
Farm & motor supplies	171	189	221	220	234	236	236	238	240	240
Autos & trucks	248	273	289	286	311	315	319	321	335	337
Tractors & self-propelled machinery	259	289	323	325	337	337	348	348	348	368
Other machinery	266	293	326	332	338	338	351	351	351	365
Building & fencing	248	272	293	291	301	304	304	305	305	307
Farm services & cash rent	248	265	300	300	331	331	331	331	331	331
Interest payable per acre on farm real estate debt	400	501	640	640	699	699	699	699	699	699
Taxes on farm real estate	210	226	216	216	226	226	226	228	226	226
Wage rates (seasonally adjusted)	242	265	286	284	318	318	315	306	306	306
Production items, interest, taxes, and wage rates	227	261	293	288	312	312	314	316	316	317
Prices received (1910-14=100)	524	602	615	581	659	657	655	653	650	645
Prices paid, etc. (Parity index) (1910-14=100)	748	849	956	946	1,016	1,020	1,026	1,033	1,035	1,039
Parity ratio[3]	70	71	64	61	65	65	64	63	63	62

[1] Fresh market for noncitrus and fresh market and processing for citrus [2] Includes sweetpotatoes and dry edible beans. [3] Ratio of index of prices received to index of prices paid, taxes, and wage rates. P preliminary.

Prices received by farmers, U.S. average

	Annual*			1980	1981					
	1978	1979	1980 p	June	Jan	Feb	Mar	Apr	May	June p
Crops										
All wheat ($/bu.)	2.82	3.51	3.88	3.69	4.21	4.17	4.09	4.07	3.95	3.67
Rice, rough ($/cwt.)	9.29	9.05	11.07	10.20	13.20	13.00	13.40	13.80	13.30	12.70
Corn ($/bu.)	2.10	2.36	2.70	2.49	3.19	3.22	3.25	3.24	3.24	3.16
Sorghum ($/cwt.)	3.43	3.91	4.68	4.49	5.48	5.33	5.17	5.25	5.12	5.23
All hay, baled ($/ton)	49.90	56.20	66.80	64.00	73.80	74.00	71.60	72.70	77.60	69.80
Soybeans ($/bu.)	6.28	6.86	6.75	5.91	7.80	7.50	7.59	7.60	7.42	6.99
Cotton, Upland (cts./lb.)	55.2	58.0	71.3	62.8	76.9	71.4	72.3	73.2	72.3	72.9
Potatoes ($/cwt.)	3.87	3.16	4.78	4.36	7.39	7.88	8.33	8.53	7.91	8.36
Dry edible beans ($/cwt.)	18.60	19.60	24.80	23.60	27.50	28.30	30.00	31.30	34.50	36.50
Apples for fresh use (cts./lb.)	16.1	14.3	17.0	21.0	11.0	12.8	12.6	11.7	10.5	10.6
Pears for fresh use ($/ton)	267	276	325	450	240	255	290	327	370	395
Oranges, all uses ($/box)[1]	4.70	3.34	3.26	3.54	2.87	2.46	3.69	3.28	4.94	4.93
Grapefruit, all uses ($/box)[1]	2.35	2.97	2.73	1.93	2.91	3.30	3.42	3.97	4.07	2.81
Livestock										
Beef cattle ($/cwt.)	48.50	66.00	62.40	61.10	59.30	58.70	57.60	60.30	59.00	59.10
Calves ($/cwt.)	58.40	88.80	76.80	76.90	69.20	70.50	69.80	70.70	68.80	68.20
Hogs ($/cwt.)	47.10	41.80	38.00	33.10	40.80	41.30	38.80	39.00	40.90	47.20
Lambs ($/cwt.)	62.80	66.70	63.60	64.60	53.70	54.80	56.60	58.00	62.50	64.00
All milk, sold to plants ($/cwt.)	10.60	12.00	13.00	12.50	14.10	14.00	13.80	13.60	13.50	13.40
Milk, manuf. grade ($/cwt.)	9.65	11.10	12.06	11.70	13.00	12.90	12.90	12.70	12.70	12.60
Broilers (cts./lb.)	26.3	25.9	27.7	25.1	30.2	30.4	29.7	26.8	28.2	29.2
Eggs (cts./doz.)[2]	52.8	58.3	56.3	48.9	64.8	62.6	60.8	64.4	56.3	57.1
Turkeys (cts./lb.)	42.0	41.1	41.3	32.6	39.8	38.9	40.3	38.4	39.0	41.4
Wool (cts./lb.)[3]	74.5	86.3	89.5	86.5	90.6	92.8	93.1	99.7	103.0	106.0

[1] Equivalent on-tree returns. [2] Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. [3] Average local market price, excluding incentive payments. *Calendar year averages. p Preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1980				1981				
	1980	May	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
Consumer price index, all items	246.8	244.9	263.9	256.2	258.4	260.5	263.2	265.1	266.8	269.0
Consumer price index, less food	244.0	242.6	260.9	263.2	255.5	257.6	260.4	262.3	264.2	267.0
All food	254.6	250.4	262.4	264.5	266.4	268.6	270.8	272.2	272.9	272.5
Food away from home	267.0	264.6	273.1	275.3	277.7	280.9	284.7	286.1	288.2	289.3
Food at home	251.5	246.5	260.0	262.1	263.9	265.6	267.3	268.6	268.7	267.7
Meats[1]	248.8	239.2	258.7	261.1	260.0	259.7	266.4	254.4	251.0	252.3
Beef and veal	270.3	264.8	276.8	277.9	276.3	275.3	272.3	270.3	267.4	270.3
Pork	209.1	191.8	225.8	228.6	229.1	228.2	223.6	221.6	217.4	217.3
Poultry	190.8	176.5	209.1	204.1	202.7	202.4	203.7	201.6	196.8	194.7
Fish	330.2	324.5	336.6	343.0	346.9	358.0	355.0	358.8	359.7	353.2
Eggs	169.7	148.4	176.3	185.2	206.6	190.2	188.2	180.5	184.3	170.5
Dairy products[2]	227.4	226.2	232.7	235.4	238.0	240.1	242.1	242.6	243.5	243.8
Fats and oils[3]	241.2	239.5	246.0	247.4	251.9	260.4	267.3	268.9	270.1	270.7
Fruits and vegetables	246.7	246.6	254.2	253.3	255.6	257.6	267.3	278.2	281.9	276.8
Fresh	252.6	255.1	262.3	258.3	262.0	263.9	278.1	293.9	296.4	284.4
Processed	242.5	239.4	247.5	250.1	250.9	253.0	257.8	263.3	268.5	270.9
Cereals and bakery products	246.4	244.5	253.7	255.8	258.5	262.9	265.3	266.7	268.3	270.0
Sugar and sweets	341.3	326.8	369.0	381.3	386.3	385.4	385.4	383.2	375.8	367.1
Beverages, nonalcoholic	395.8	393.0	404.9	405.5	405.2	409.7	411.9	412.2	414.4	412.3
Apparel commodities less footwear	167.8	166.9	173.1	173.9	172.5	168.9	169.6	172.7	174.0	173.3
Footwear	190.3	189.3	196.1	196.5	196.6	194.9	194.9	197.4	199.3	201.0
Tobacco products	202.6	200.4	204.5	207.3	210.8	211.9	212.3	212.5	213.3	218.2
Beverages, alcoholic	186.3	185.4	190.4	190.9	191.6	193.7	195.9	197.1	197.8	199.1

[1] Beef, veal, lamb, pork, and processed meat. [2] Includes butter. [3] Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1980		1981				
	1978	1979	1980 p	May	Dec	Jan	Feb	Mar	Apr	May
					1967=100					
Finished goods[1]	194.6	216.1	246.8	243.4	257.2	260.4	262.4	265.3	267.7	268.9
Consumer foods	206.8	226.3	239.4	231.9	249.3	251.2	250.9	251.8	251.5	252.0
Fresh fruit	213.5	232.6	237.4	244.4	220.5	203.3	211.6	217.0	221.3	227.7
Fresh and dried vegetables	200.1	201.0	219.0	223.0	244.2	282.5	298.6	332.3	317.0	291.2
Eggs	158.6	176.5	171.0	140.5	217.5	185.7	184.8	180.4	196.2	165.0
Bakery products	201.3	221.7	247.7	246.9	258.9	261.3	262.7	262.9	264.1	265.4
Meats	209.6	240.6	235.8	218.3	242.3	241.3	234.5	231.6	234.5	235.8
Beef and veal	202.2	252.2	260.2	254.6	252.0	254.7	246.1	243.8	244.6	251.9
Pork	219.1	205.0	196.7	163.7	218.7	214.8	208.7	204.0	200.3	203.8
Poultry	194.0	188.6	193.3	165.8	203.3	203.2	209.6	205.3	188.1	197.5
Fish	313.0	383.8	371.0	354.8	355.4	373.0	371.5	382.0	387.1	386.4
Dairy products	188.4	211.2	230.7	228.5	242.7	245.2	245.5	245.5	245.8	245.0
Processed fruits and vegetables	202.8	221.9	228.9	225.4	237.1	237.4	244.1	251.8	258.7	260.1
Refined sugar[3]	108.3	116.3	214.4	221.5	230.2	230.2	214.0	181.2	166.6	149.6
Vegetable oil end products	209.4	223.5	233.2	228.2	236.9	235.0	240.7	240.7	241.6	238.6
Consumer finished goods less foods	183.7	208.2	247.9	249.0	257.6	260.9	267.3	271.7	275.1	276.1
Beverages, alcoholic	148.2	161.4	175.6	173.0	181.2	181.7	185.2	186.4	188.1	188.9
Soft drinks	211.6	227.1	269.1	257.5	275.9	289.5	290.8	290.8	290.8	294.6
Apparel	152.4	160.4	172.2	170.2	177.0	178.6	179.3	180.1	182.1	182.4
Footwear	183.0	218.0	233.2	231.9	237.1	238.6	240.8	240.5	241.1	241.1
Tobacco products	198.5	217.7	245.5	247.7	254.2	254.3	255.3	255.4	268.4	268.4
Intermediate materials[4]	215.5	242.8	280.2	277.0	291.9	295.2	297.8	301.4	305.4	306.6
Materials for food manufacturing	202.3	223.6	263.7	255.3	279.6	281.0	273.8	267.9	264.0	260.3
Flour	141.6	172.0	187.6	182.1	194.5	197.9	196.1	193.2	195.3	194.3
Refined sugar[3]	109.3	119.3	210.5	212.7	221.1	225.4	219.4	200.4	188.1	171.7
Crude vegetable oils	219.2	243.7	202.6	177.9	204.6	199.8	187.6	191.2	193.6	187.0
Crude materials[5]	240.1	282.2	304.2	289.3	323.5	328.0	335.6	333.0	335.2	333.2
Foodstuffs and feedstuffs	215.3	247.2	259.1	243.0	271.6	270.7	267.1	262.0	263.4	260.6
Fruits and vegetables[2]	216.6	229.0	238.5	244.0	244.7	257.7	270.4	291.6	285.2	273.9
Grains	182.5	214.8	239.0	219.0	265.2	277.7	267.4	261.8	264.7	257.7
Livestock	220.1	260.3	252.7	233.3	251.4	244.3	244.6	239.3	246.6	251.8
Poultry, live	199.8	194.3	202.1	171.3	218.9	213.1	220.8	213.5	195.4	207.2
Fibers, plant and animal	193.4	209.9	271.1	272.7	294.1	284.1	268.4	270.1	274.2	258.3
Milk	219.7	250.1	271.2	265.4	289.6	287.2	289.5	289.5	287.2	283.6
Oilseeds	224.1	245.5	249.2	215.5	310.4	316.7	296.4	294.2	302.4	301.3
Coffee, green	378.2	416.2	430.3	472.3	399.3	409.1	403.0	402.5	401.1	305.2
Tobacco, leaf	191.5	207.7	n.a.	n.a.	240.6	234.3	234.3	n.a.	235.0	235.7
Sugar, raw cane	190.2	209.8	413.0	454.9	401.8	416.8	366.1	318.0	274.9	224.2
All commodities	209.3	235.6	268.6	264.2	280.8	284.6	286.9	289.6	292.8	293.7
Industrial commodities	209.4	236.5	274.5	271.9	286.6	291.2	294.8	298.9	302.8	304.1
All foods[7]	206.5	266.3	244.5	237.3	253.9	255.1	253.9	253.2	261.6	250.3
Farm products and processed foods and feeds	206.6	229.8	244.6	233.8	257.0	258.0	254.9	253.1	253.8	252.6
Farm products	212.5	241.4	249.3	233.5	265.3	264.5	252.3	260.6	263.2	259.5
Processed foods and feeds	202.6	222.5	241.0	233.1	251.5	253.4	250.0	248.1	247.4	248.0
Cereal and bakery products	190.3	210.3	235.9	234.7	248.7	251.1	251.7	251.9	253.5	255.1
Sugar and confectionery	197.8	214.7	321.2	327.8	339.8	344.6	324.7	302.6	286.0	265.3
Beverages	200.0	210.7	232.4	231.2	240.5	243.0	242.2	242.8	243.4	245.0

[1] Commodities ready for sale to ultimate consumer. [2] Fresh and dried. [3] Consumer size packages, Dec. 1977=100. [4] Commodities requiring further processing to become finished goods. [5] For use in food manufacturing. [6] Products entering market for the first time which have not been manufactured at that point. [7] Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1980 p		1981				
	1978	1979	1980p	May	Dec	Jan	Feb	Mar	Apr	May
Market basket[1]:										
Retail cost (1967=100)	199.4	222.7	238.8	233.6	251.1	252.4	254.0	255.4	255.3	254.7
Farm value (1967=100)	205.6	228.1	240.3	226.0	252.5	250.5	248.8	248.4	242.1	246.2
Farm-retail spread (1967=100)	195.7	219.6	238.0	238.0	250.2	253.5	257.0	259.5	263.0	259.7
Farm value/retail cost (%)	38.2	37.9	37.2	35.8	37.2	36.7	36.2	36.0	35.1	35.8
Meat products:										
Retail cost (1967=100)	206.8	241.9	248.8	239.2	260.0	259.7	256.4	254.4	251.0	252.3
Farm value (1967=100)	206.4	234.6	234.0	213.8	237.6	233.4	226.5	225.5	219.4	235.1
Farm-retail spread (1967=100)	207.3	250.4	266.1	268.9	286.2	290.5	291.4	288.3	288.0	227.4
Farm value/retail cost (%)	53.8	52.3	50.7	48.2	49.3	48.5	47.6	47.8	47.2	50.3
Dairy products:										
Retail cost (1967=100)	185.5	207.0	227.4	226.2	238.0	240.1	242.1	242.6	243.5	243.8
Farm value (1967=100)	204.7	234.0	254.9	250.6	269.1	272.0	271.8	271.6	271.6	270.9
Farm-retail spread (1967=100)	168.8	183.6	203.5	205.0	210.9	212.3	216.2	217.3	219.0	220.2
Farm value/retail cost (%)	51.4	52.6	52.2	51.6	52.6	52.7	52.3	52 1	51.9	51.7
Poultry:										
Retail cost (1967=100)	172.9	181.5	190.8	176.5	202.7	202.4	203.7	201.6	196.8	194.7
Farm value (1967=100)	202.1	199.4	211.7	182.1	228.1	228.1	229.1	225.0	204.1	214.0
Farm-retail spread (1967=100)	144.7	164.2	170.5	171.1	178.1	177.5	179.1	178.9	189.7	180.9
Farm value/retail cost (%)	57.5	54.0	54.6	50.8	55.4	55.4	55.3	54.9	51.0	53.4
Eggs:										
Retail cost (1967=100)	157.8	172.8	169.7	148.4	206.6	190.2	188.2	180.5	184.3	170.5
Farm value (1967=100)	178.9	199.2	190.9	151.8	249.7	208.8	212.7	203.5	217.2	184 3
Farm-retail spread (1967=100)	127.3	134.6	139.2	143.4	144.3	163.3	152.8	146.7	136.7	150.5
Farm value/retail cost (%)	67.0	68.1	66.5	60.5	71.4	64.9	66.8	66.8	69.7	63.9
Cereal and bakery products:										
Retail cost (1967=100)	199.9	220.2	246.4	244.5	258.5	262.9	265.3	266.7	268.3	270.0
Farm value (1967=100)	163.9	189.9	221.1	217.7	237.8	238.4	236.9	234.5	227.8	221.7
Farm-retail spread (1967=100)	207.3	226.3	251.7	250.1	262.8	268.0	271.2	273.4	276.7	280.0
Farm value/retail cost (%)	14.1	14.9	15.4	15.3	15.8	15.6	15.3	15.1	14.6	14.1
Fresh fruits:										
Retail cost (1967=100)	230.1	258.5	271.8	270.9	257.0	250.4	260.6	269.4	276.3	282.3
Farm value (1967=100)	237.9	237.6	242.7	243.5	198.8	179.8	205.5	197.8	196.7	188.1
Farm-retail spread (1967=100)	226.6	267.9	284.8	283.2	283.1	282.1	285.4	301.6	312.0	324.6
Farm value/retail cost (%)	32.0	28.5	27.7	27.8	24.0	22.2	24.4	22.7	22.1	20.6
Fresh vegetables:										
Retail costs (1967=100)	216.2	222.5	242.2	246.2	271.5	281.1	298.0	320.8	319.6	291.7
Farm value (1967=100)	215.7	204.3	215.8	208.4	269.3	284.0	324.0	357.2	325.8	293.9
Farm-retail spread (1967=100)	216.5	231.1	254.7	264.0	272.5	279.7	285.8	303.7	316.7	290.6
Farm value/retail cost (%)	31.9	29.4	28.5	27.1	31.7	32.3	34.8	35.6	32.6	32.2
Processed fruits and vegetables:										
Retail cost (1967=100)	208.7	226.6	242.5	239.4	250.9	253.0	257.8	263.3	268.5	270.9
Farm value (1967=100)	221.9	235.3	242.6	237.5	258.3	263.8	264.4	272.4	285.1	304.8
Farm-retail spread (1967=100)	205.8	224.7	242.4	239.8	249.3	250.6	256.4	261.3	264.8	263.4
Farm value/retail costs (%)	19.3	18.8	18.1	18.0	18.7	18.9	18.6	18.8	19.2	20.4
Fats and oils:										
Retail cost (1967=100)	209.6	226.3	241.2	239.5	251.9	260.4	267.3	268.9	270.1	270.7
Farm value (1967=100)	257.4	278.0	249.9	217.8	275.0	293.3	288.1	299.2	291.6	283.8
Farm-retail spread (1967=100)	191.1	206.4	237.8	247.8	243.0	247.7	259.3	257.3	261.8	265.7
Farm value/retail cost (%)	34.1	34.1	28.8	25.3	30.3	31.3	29.9	30.9	30.0	29.1

[1] Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb.	Mar	Apr	May
Beef, Choice:										
Retail price[1] (cts./lb.)	181.9	226.3	237.6	230.4	242.9	239.5	237.5	235.6	230.9	233.5
Net carcass value[2] (cts.)	119.3	150.5	155.4	152.2	150.3	150.5	144.6	141.2	146.7	155.2
Net farm value[3] (cts.)	111.1	140.8	145.0	142.7	139.9	138.0	133.9	130.6	137.9	145.6
Farm-retail spread (cts.)	70.8	85.5	92.6	87.7	103.0	101.5	103.6	105.0	93.0	87.9
Carcass-retail spread[4] (cts.)	62.6	75.8	82.2	78.2	92.6	89.0	92.9	94.4	84.2	78.3
Farm-carcass spread[5] (cts.)	8.2	9.7	10.4	9.5	10.4	12.5	10.7	10.6	8.8	9.6
Farm value/retail price (%)	61	62	61	62	58	58	56	55	60	62
Pork:[1]										
Retail price[1] (cts./lb.)	143.6	144.1	139.4	123.6	153.8	161.5	148.4	146.2	142.7	141.9
Wholesale value[2] (cts.)	107.7	100.4	98.0	79.5	108.6	104.1	104.6	101.6	101.2	101.5
Net farm value[3] (cts.)	76.6	66.6	63.2	46.6	70.9	65.6	67.3	62.6	62.8	66.3
Farm-retail spread (cts.)	67.0	77.5	76.2	77.0	82.9	85.9	81.1	83.6	79.9	75.6
Wholesale-retail spread[4] (cts.)	35.9	43.7	41.4	44.1	45.2	47.4	43.8	44.6	41.5	40.4
Farm-wholesale spread[5] (cts.)	31.8	33.8	34.8	32.9	37.7	38.5	37.3	39.0	38.4	35.2
Farm value/retail price (%)	53	46	45	38	46	43	45	43	44	47

[1] Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. [2] Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. [3] Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. [4] Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. [5] Represents charges made for livestock marketing, processing and transportation to city where consumed. p Preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Rail freight rate index[1]										
All products (1969=100)	213.0	243.4	285.4	279.7	300.3	313.9	317.7	321.4	321.0	321.0
Farm products (1969=100)	204.9	235.0	271.8	263.9	285.3	294.4	300.7	305.2	304.6	304.6
Grain (Dec. 1978=100)	n.a.	106.9	127.5	123.5	134.4	139.8	142.9	144.6	144.0	144.0
Food products (1969=100)	210.0	239.5	283.7	276.2	301.2	315.7	319.7	323.3	323.1	323.1
Rail carloadings of grain (thou. cars)[2]	25.8	27.5	30.1	23.7	28.1	34.4	31.1	36.3	23.5	21.3
Barge shipments of grain (mil. bu.)[3]	31.3	31.2	36.7	45.3	32.0	35.3	23.5	30.2	36.3	39.4
Fresh fruit and vegetable shipments										
Rail (thou. cwt.)[3,4,5]	915	806	1,218	994	1,201	833	811	800	712	873
Truck (thou. cwt.)[3,4,6]	7,322	7,558	7,594	9,007	7,328	7,518	6,802	7,619	3,907	9,717

[1] Department of Labor, Bureau of Labor Statistics. [2] Weekly average; from Association of American Railroads. [3] Weekly average; from Agricultural Marketing Service, USDA. [4] Preliminary data for 1980. [5] Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

Food Supply and Use

Civilian per capita consumption of major food commodities (retail weight)[1]

	1973	1974	1975	1976	1977	1978	1979[2]	1980[2]
	Pounds							
Meats:	142.6	152.5	145.5	155.4	154.7	149.3	147.1	150.1
Beef	81.1	86.4	88.9	95.7	93.2	88.8	79.6	78.1
Veal	1.5	1.9	3.6	3.3	3.2	2.5	1.6	1.5
Lamb and mutton	2.4	2.0	1.8	1.8	1.6	1.5	1.3	1.4
Pork	57.6	62.2	51.2	54.6	56.7	56.5	64.6	69.1
Fish (edible weight)	12.9	12.2	12.3	13.1	12.9	13.6	13.3	13.2
Poultry products:								
Eggs	37.3	36.6	35.4	34.7	34.5	35.3	35.8	35.4
Chicken (ready-to-cook)	40.7	41.1	40.6	43.3	44.8	47.5	51.5	51.2
Turkey (ready-to-cook)	8.5	8.9	8.6	9.2	9.3	9.3	10.1	11.0
Dairy products:								
Cheese	13.7	14.6	14.5	15.8	16.4	17.0	17.6	17.8
Condensed and evaporated milk	6.0	5.6	5.0	5.0	4.5	4.1	4.2	4.1
Fluid milk and cream (product weight)	293.0	288.0	291.1	292.0	288.4	286.7	283.2	n.a.
Ice cream (product weight)	17.5	17.5	18.7	18.1	17.8	17.7	17.5	17.8
Fats and Oils—Total fat content	54.3	53.2	53.5	56.0	54.5	56.2	57.7	n.a.
Butter (actual weight)	4.8	4.6	4.8	4.4	4.3	4.5	4.6	4.6
Margarine (actual weight)	11.3	11.3	11.2	12.2	11.6	11.4	11.5	n.a.
Lard	3.4	3.2	3.0	2.7	2.3	2.2	2.6	n.a.
Shortening	17.3	17.0	17.3	18.1	17.5	18.2	18.9	n.a.
Other edible fats and oils	20.8	20.3	20.3	22.0	21.6	22.6	23.1	n.a.
Fruits:								
Fresh	74.5	76.6	81.3	83.7	80.3	80.4	81.3	n.a.
Citrus	26.7	26.9	28.7	28.5	25.9	26.2	24.0	n.a.
Noncitrus	47.8	49.7	52.6	55.2	54.4	54.2	57.3	n.a.
Processed:								
Canned fruit	21.3	19.6	19.4	19.2	19.9	19.1	19.4	n.a.
Canned juice	15.1	13.2	14.8	14.8	13.9	16.8	17.3	n.a.
Frozen (including juices)	12.2	12.1	14.2	13.8	14.0	12.6	12.3	n.a.
Chilled citrus juices	5.2	5.2	5.7	5.2	5.8	6.2	5.6	n.a.
Dried	2.6	2.4	3.0	2.6	2.5	2.2	3.1	n.a.
Vegetables:								
Fresh[3]	90.8	92.3	91.2	92.4	90.5	92.2	94.2	n.a.
Canned	57.7	56.9	55.1	55.7	55.9	54.2	55.7	n.a.
Frozen (excluding potatoes)	10.6	10.1	9.6	10.2	10.3	10.9	11.5	n.a.
Potatoes[4]	71.1	67.8	74.5	70.3	75.3	70.6	75.9	n.a.
Sweetpotatoes[4]	4.5	4.9	4.9	4.8	4.5	4.9	5.1	n.a.
Grains:								
Wheat flour[5]	114	112	116	120	117	117	120	n.a.
Rice	7.0	7.6	7.7	7.2	7.6	5.8	9.2	n.a.
Other:								
Coffee	10.1	9.7	9.3	9.5	7.1	8.0	8.7	8.0
Tea	.8	.8	.8	.8	.8	.8	.8	.8
Cocoa	3.3	3.0	2.6	3.0	2.6	2.6	2.6	2.6
Peanuts (shelled)	6.6	6.4	6.5	6.3	6.4	6.9	7.1	n.a.
Dry edible beans	6.4	6.7	6.5	6.2	6.1	5.9	6.4	n.a.
Melons	19.8	17.1	17.3	18.6	19.3	20.3	19.5	n.a.
Sugar (refined)	101.5	96.5	90.2	94.6	95.7	93.1	91.1	85.6

[1] Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, and rice which are on a crop-year basis. [2] Preliminary. [3] Commercial production for sale as fresh produce. [4] Including fresh equivalent of processed. [5] White, whole wheat, and semolina flour including use in bakery products. n.a. = not available.

Note: Historical consumption and supply-utilization data for food may be found in *Food Consumption, Prices and Expenditures*. Statistical Bulletin 656, ESS, USDA.

Per capita food consumption indexes[1] (1967=100)

	1970	1973	1974	1975	1976	1977	1978	1979[2]	1980[2]
					1967=100				
Meat, poultry, and fish	104.8	100.4	105.9	102.9	109.7	109.3	107.2	106.1	108.3
Meat	104.0	97.7	104.6	101.2	107.9	107.0	103.0	100.4	102.8
Poultry	107.5	109.2	111.1	109.2	116.6	120.1	125.8	136.5	138.2
Fish	110.6	121.0	114.6	114.6	121.7	120.3	127.1	124.3	123.4
Eggs	97.0	91.6	89.9	87.2	85.3	84.8	86.7	88.2	87.0
Dairy products[3]	99.3	100.6	99.6	100.3	102.2	101.7	102.2	101.8	98.9
Fats and oils	105.9	107.9	104.9	105.5	109.8	106.0	109.5	113.0	n.a.
Animal[4]	88.0	75.2	75.0	67.7	63.7	64.8	65.7	70.1	n.a.
Vegetable	119.0	131.8	126.8	133.3	143.7	136.3	141.6	144.6	n.a.
Fruits[5]	102.0	99.8	99.1	107.7	108.8	107.0	104.9	107.5	108.1
Fresh	100.8	93.9	97.2	104.6	106.7	104.0	103.4	105.8	107.1
Processed	103.5	107.4	101.5	111.7	111.5	110.8	106.8	109.7	109.8
Vegetables[6]	102.0	105.1	104.4	103.4	105.0	104.1	104.6	106.7	n.a.
Fresh	100.6	100.6	101.3	100.7	101.4	100.5	102.2	103.1	n.a.
Processed	104.4	113.0	109.8	108.1	111.4	110.5	108.7	113.0	n.a.
Potatoes and sweetpotatoes	107.8	106.9	103.9	108.7	107.3	113.6	114.7	120.1	n.a.
Fresh	94.8	84.0	80.1	90.8	85.2	88.9	80.8	87.9	n.a.
Processed	119.7	128.0	125.8	125.2	127.7	134.4	145.9	149.5	n.a.
Beans, peas, and nuts	98.1	105.3	102.9	106.5	104.1	101.8	106.8	111.5	n.a.
Flour and cereal products	97.8	100.2	99.1	102.0	104.8	102.3	101.4	105.8	n.a.
Sugar	106.3	110.4	107.5	104.2	11D.8	114.0	113.9	117.0	114.3
Coffee, tea, and cocoa	93.4	97.7	95.3	89 1	93.8	77.5	79.1	84.4	83.1
Total food	102.3	101.9	102.4	101.9	105.7	104.8	104.4	105.7	n.a.
Animal products	102.0	98.7	101.7	99.5	103.8	103.5	102.5	102.0	n.a.
Plant products[7]	102.6	105.4	103.2	104.5	107.8	106.1	106.5	109.8	n.a.

[1] Civilian consumption only. Quantities of individual foods are combined in terms of 1967-69 retail prices. [2] Preliminary. [3] Excludes butter. [4] Includes butter. [5] Excludes melons and baby food. [6] Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. [7] Includes melons, nuts, soup, and baby food in addition to groups shown separately.

Livestock and Products

Dairy:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Milk production:										
Total milk (mil. lb.)	121,461	123,411	128,425	11,664	10,491	10,739	10,093	11,426	11,544	12,064
Milk per cow (lb.)	11,243	11,488	11,875	1,081	965	988	928	1,052	1,063	1,111
Number of milk cows (thou.)	10,803	10,743	10,815	10,792	10,872	10,874	10,874	10,862	10,865	10,862
Milk prices, Minnesota-Wisconsin, 3.5% fat ($/cwt.)[1]	9.57	10.91	11.88	11.66	12.61	12.64	12.66	12.67	12.64	12.61
Price of 16% dairy ration ($/ton)	138	156	177	165	203	203	201	196	197	200
Milk-feed price ratio (lb.)[2]	1.53	1.54	1.47	1.53	1.38	1.39	1.40	1.42	1.39	1.35
Stocks, beginning										
Total milk equiv. (mil. lb.)[3]	8,626	8,730	8,599	9,953	12,393	12,958	13,806	14,688	15,506	17,242
Commercial (mil. lb.)	4,916	4,475	5,419	5,950	6,676	5,752	6,016	6,181	6,016	6,085
Government (mil. lb.)	3,710	4,254	3,180	4,003	6,717	7,207	7,790	8,506	9,490	11,157
Imports, total equiv. (mil. lb.)[3]	2,310	2,305	2,107	123	368	129	125	149	186	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.)[3]	2,743	2,119	8,800	1,630.0	580.9	1,384.7	1,451.0	1,449.5	1,659.6	1,705.8
Butter:										
Production (mil. lb.)	994.3	984.6	1,145.3	116.6	103.6	121.3	110.1	116.7	116.9	116.2
Stocks, beginning (mil. lb.)	184.9	206.9	177.8	238.1	302.7	304.6	332.1	372.3	407.4	450.4
Wholesale price, Grade A Chi. (cts./lb.)	109.8	122.4	139.3	136.9	147.7	147.2	147.2	147.2	147.2	147.3
USDA net removals (mil. lb.)	112.0	81.6	257.0	60.8	17.8	51.6	49.3	42.5	46.7	48.9
Commercial disappearance (mil. lb.)	903.5	895.0	878.8	64.2	93.5	66.3	49.5	74.2	71.1	n.a.
American cheese:										
Production (mil. lb.)	2,074.2	2,189.9	2,374.6	232.4	204.8	212.2	198.1	224.5	237.5	253.5
Stocks, beginning (mil. lb.)	422.1	378.8	406.6	415.2	530.7	591.5	622.6	636.6	644.9	725.7
Wholesale price, Wis. assembly pt. (cts./lb.)	107.1	123.8	133.0	131.0	140.1	139.3	139.2	138.8	139.2	138.8
USDA net removals (mil. lb.)	39.7	40.2	349.7	37.7	21.1	31.9	43.5	67.6	70.1	70.2
Commercial disappearance (mil. lb.)	2,064.7	2,113.1	2,023.9	169.3	157.3	162.8	153.9	185.7	165.7	n.a.
Other Cheese.										
Production (mil. lb.)	1,445.5	1,527.3	1,608.5	128.1	149.7	130.6	118.4	140.9	133.7	133.4
Stocks, beginning (mil. lb.)	64.0	78.4	105.6	105.3	103.1	99.3	97.0	87.7	89.7	92.5
Commercial disappearance (mil. lb.)	1,655.5	1,730.4	1,827.9	140.2	193.0	141.7	138.5	153.5	148.4	n.a.
Nonfat dry milk:										
Production (mil. lb.)	920.4	908.7	1,160.7	135.8	89.6	92.0	95.3	110.0	122.9	135.3
Stocks, beginning (mil. lb.)	677.9	585.1	485.2	482.3	570.4	586.8	579.0	599.4	633.0	645.3
Wholesale price, avg. manf. (cts./lb.)	71.4	80.0	88.7	88.7	93.9	93.8	93.6	93.7	93.9	93.9
USDA net removals (mil. lb.)	285.0	255.3	634.3	89.7	39.3	55.4	60.7	73.5	87.4	97.5
Commercial disappearance (mil. lb.)	658.4	603.1	638.9	20.7	34.8	41.6	22.5	32.9	39.0	n.a.
Frozen dessert production (mil. gal.)[4]	1,173.5	1,152.9	1,167.5	105.3	77.2	73.0	80.5	98.4	100.6	104.0

[1] Manufacturing grade milk. [2] Pounds of 16% protein ration equal in value to 1 pound of milk. [3] Milk equivalent, fat-solids basis. [4] Ice cream, ice milk, and sherbert. n.a. = not available.

Wool:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
U.S. wool price, Boston[1] (cts./lb.)	169	218	246	225	253	253	268	274	278	278
Imported wool price, Boston[2] (cts./lb.)	230	257	265	253	296	299	297	289	285	287
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	102,246	106,533	113,423	9,190	10,019	10,154	11,040	13,848	11,521	n.a.
Carpet wool (thou. lb.)	13,009	10,513	9,131	712	678	750	796	932	688	n.a.

[1] Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2¾" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. [2] Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1981 is 15.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding, n.a. not available.

Meat animals:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Cattle on feed (7-States)										
Number on feed (thou. head)[1]	8,927	9,226	8,454	6,828	7,964	7,863	7,505	7,126	6,837	7,030
Placed on feed (thou. head)[2]	22,593	19,877	18,320	1,617	1,392	1,277	1,190	1,368	1,721	1,619
Marketings (thou. head)	20,297	18,793	17,422	1,384	1,363	1,525	1,440	1,538	1,386	1,400
Other disappearance (thou. head)	1,997	1,856	1,489	208	130	110	129	119	142	195
Beef steer-corn price ratio, Omaha (bu.)[3]	24.8	28.7	25.1	26.6	19.5	19.1	19.3	19.4	20.0	20.6
Hog-corn price ratio, Omaha (bu.)[3]	22.9	18.1	14.6	12.0	13.6	12.5	13.3	12.4	11.7	12.9
Commercial slaughter (thou. head)[4]										
Cattle	39,552	33,678	33,804	2,780	2,927	3,004	2,657	2,915	2,807	2,751
Steers	18,526	17,363	17,155	1,479	1,405	1,521	1,355	1,566	1,426	1,457
Heifers	11,758	9,725	9,593	786	839	827	770	786	796	740
Cows	8,470	5,923	6,332	458	625	598	478	503	519	489
Bulls and stags	798	639	724	57	58	58	54	61	66	65
Calves	4,170	2,824	2,589	184	240	238	209	239	212	182
Sheep and lambs	5,369	5,017	5,574	469	484	505	440	505	537	442
Hogs	77,315	89,099	96,076	8,536	8,192	8,132	7,188	8,337	8,324	7,298
Commercial production (mil. lb.)										
Beef	24,010	21,261	21,464	1,784	1,856	1,935	1,721	1,896	1,811	1,761
Veal	600	410	379	29	35	35	30	35	32	30
Lamb and mutton	300	284	310	27	28	30	26	29	29	24
Pork	13,209	15,270	16,432	1,471	1,426	1,416	1,234	1,423	1,424	1,254
						Dol. per 100 pounds				
Market prices										
Slaughter cattle:										
Choice steers, Omaha	52.34	67.75	66.96	64.58	64.29	63.08	61.60	61.40	64.92	66.86
Utility cows, Omaha	36.79	50.10	45.73	42.78	42.92	41.61	43.65	43.12	43.95	42.39
Choice vealers, S. St. Paul	69.24	91.41	75.53	71.88	77.17	77.38	78.00	80.88	83.90	84.25
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	58.78	83.08	75.23	69.18	72.98	72.58	70.40	68.80	68.94	65.79
Slaughter hogs:										
Barrows and gilts, 7-markets[5]	48.49	42.06	40.04	29.50	44.80	41.42	42.43	39.54	39.79	42.05
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	48.16	35.26	30.14	20 37	34.74	31.50	36.86	36.33	39.33	36.10
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	65.33	68.45	66.64	61.75	61.75	57.50	57.75	56.75	63.20	65.38
Ewes, Good, San Angelo	28.97	32.82	24.68	25.00	24.33	30.50	34.12	34.00	26.70	21 81
Feeder lambs:										
Choice, San Angelo	75.61	77.53	68 36	57.42	69.33	61.75	62.25	59.00	61.30	60.69
Wholesale meat prices, Midwest[6]										
Choice steer beef, 600-700 lb.	80.43	101.62	104.44	102.00	100.67	99.80	96.08	94.32	99.68	103.32
Canner and Cutter cow beef	74.61	100.23	92.45	87.70	87.29	86.25	91.12	87.50	87.62	83.75
Pork loins, 8-14 lb.	95.99	91.35	84.87	70.73	92.67	97.50	96.36	91.12	85.84	94.16
Pork bellies 12-14 lb.	62.50	46.00	43.78	29 40	53.93	50.40	50.18	40.19	48.58	45.07
Hams, skinned, 14-17 lb.	86.37	77.04	73.34	0	80.35	65.01	67.42	68.28	72.68	70.96

	Annual			1980				1981		
	1978	1979	1980	I	II	III	IV	I	II	III
Cattle on feed (23-States):										
Number on feed (thou. head)[1]	12,811	12,681	11,713	11,713	10,203	9,635	9,965	11,105	11,074	—
Placed on feed (thou. head)[2]	29,073	26,062	24,557	5,207	5,651	6,359	7,340	5,154	—	—
Marketings (thou. head)	26,645	24,600	23,183	6,145	5,630	5,731	5,677	5,999	—	—
Other disappearance (thou. head)[2]	2,558	2,404	1,982	572	589	298	523	502	—	—
Hogs and pigs (14-States):[7]										
Inventory (thou. head)[1]	48,308	51,370	57,130	57,130	54,805	54,840	55,160	54,780	50,105	51,205
Breeding (thou. head)[1]	7,324	8,102	8,055	8,055	8,085	7,853	7,442	7,679	7,219	7,105
Market (thou. head)[1]	40,984	43,268	49,075	49,075	46,720	40,987	47,738	47,083	42,886	44,100
Farrowings (thou. head)	10,602	12,317	11,861	2,740	3,356	2,838	2,927	2,434	3,023	3,075
Pig crop (thou. head)	75,595	87,393	85,915	19,650	24,600	20,382	21,283	17,609	23,202	—

[1] Beginning of period. [2] Other disappearance excluded in 1973; not comparable with 1974 and 1975. [3] Bushels of corn equal in value to 100 pounds liveweight. [4] 220-240 lb. Beginning in January 230-240 lb. [5] Prior to Oct. 1975, Chicago. [6] Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). [7] Intentions. * Classes estimated.

Poultry and eggs:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Eggs										
Farm production (mil.)	67,300	69,325	69,665	5,799	6,051	6,008	5,396	5,981	5,722	5,818
Average number of layers on farms (mil.)	282	289	287	280	294	293	291	287	284	282
Rate of lay (eggs per layer)	239	240	242	20.7	20.6	20.5	18.6	20.8	20.2	20.6
Cartoned price, New York, grade A large (cts./doz.)[1]	61.7	68.2	66.9	65.1	81.0	75.6	71.3	71.0	73.4	66.8
Price of laying feed ($/ton)	152	168	188	176	220	218	219	215	215	217
Egg-feed price ratio (lb.)[2]	6.9	6.9	6.0	5.3	6.6	6.9	6.7	6.7	6.0	5.2
Stocks, beginning of period:										
Shell (thou. cases)	39	38	38	30	19	31	22	19	32	32
Frozen (mil. lb.)	29.7	25.3	23.4	25.9	25.3	24.3	24.5	24.2	22.3	21.9
Replacement chicks hatched (mil.)	492	519	487	47.6	35.8	37.1	35.7	43.8	46.6	44.3
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,883	10,916	11,089	992.3	911.8	965.5	849.7	998.7	1,017.9	–
Wholesale price, 9-city, (cts./lb.)	44.5	44.4	46.8	41.1	48.6	49.5	50.3	48.2	44.4	46.3
Price of broiler grower feed ($/ton)	169	189	207	189	238	237	238	229	234	235
Broiler-feed price ratio (lb.)[2]	3.1	2.8	2.7	2.5	2.5	2.5	2.6	2.6	2.3	2.4
Stocks, beginning of period (mil. lb.)	29.4	20.1	30.6	32.4	25.1	22.4	27.1	26.8	24.8	27.7
Average weekly placements of broiler chicks, 21 States (mil.)	70.9	76.8	77.9	81.5	77.3	79.4	81.9	85.6	85.7	85.5
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,983	2,182	2,303	177.5	187.3	140.0	118.6	134.0	149.8	–
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	66.7	68.1	63.6	53.3	67.0	59.4	60.7	63.8	61.2	63.5
Price of turkey grower feed ($/ton)	182	202	223	204	261	257	255	254	254	255
Turkey-feed price ratio (lb.)[2]	4.6	4.1	3.5	3.1	3.5	3.1	3.1	3.2	3.0	3.1
Stocks, beginning of period (mil. lb.)	167.9	175.1	240.0	206.6	257.6	198.0	207.9	207.9	220.7	228.7
Poults hatched (mil.)	157.5	180.0	188.7	21.3	12.8	15.6	16.5	19.9	20.5	22.1

[1] Price of cartoned eggs to volume buyers for delivery to retailers. [2] Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Crops and Products

Feed grains:

	Marketing year[1]			1980		1981				
	1977/78	1978/79	1979/80	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Corn, No. 2 yellow, Chicago ($/bu.)	2.26	2.54	2.81	2.70	3.54	3.56	3.49	3.48	3.53	3.47
Sorghum, No. 2 yellow, Kansas City ($/cwt.)	3.54	4.00	4.65	4.31	5.82	5.79	5.52	5.46	5.49	5.38
Barley, feed, Minneapolis ($/bu.)	1.68	1.80	2.16	2.09	2.75	2.81	2.90	2.63	2.51	2.39
Barley, malting, Minneapolis ($/bu.)[3]	2.27	2.38	2.87	2.82	3.77	3.75	3.83	3.71	3.84	3.80
Exports:										
Corn (mil. bu.)	1,948	2,133	2,433	171	240	209	201	223	187	209
Feed grains (mil. metric tons)[3]	56.3	60.2	71.7	5.1	6.8	6.2	6.1	6.4	5.3	6.0

	Marketing year[1]			1979	1980				1981	
	1977/78	1978/79	1979/80	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Corn:										
Stocks, beginning (mil. bu.)	886	1,111	1,304	1,304	6,886	4,857	3,670	1,618	5,857	3,997
Domestic use:										
Feed (mil. bu.)	3,744	4,324	4,519	1,549	1,308	682	979	1,524	1,083	693
Food, seed, Ind. (mil. bu.)	590	620	675	145	139	119	272	156	144	135
Feed grains:[3]										
Stocks, beginning (mil. metric tons)	29.9	41.4	46.2	55.5	206.2	144.1	107.9	60.3	172.9	117.6
Domestic use:										
Feed (mil. metric tons)	118.6	136.1	138.0	47.6	39.6	20.3	30.5	45.5	31.5	21.0
Food, seed, Ind. (mil. metric tons)	20.0	20.0	22.0	4.8	4.3	4.3	8.6	5.1	4.9	4.7

[1] Beginning October 1 for corn and sorghum; June 1 for oats and barley. [2] No. 3 or better, 65% or better, plump beginning October 1977. [3] Aggregated data for corn, sorghum, oats, and barley.

Fats and oils:

	Marketing Year[1]			1980		1981				
	1977/78	1978/79	1979/80	May	Dec	Jan.	Feb	Mar	Apr	May
Soybeans:										
Wholesale price, No. 1 yellow, Chicago ($/bu.)	6.11	6.75	6.25	6.02	7.71	7.50	7.31	7.32	7.72	–
Crushings (mil. bu.)	927.7	1,017.8	1,123.0	93.8	94.1	92.2	79.6	88.7	85.2	–
Processing margin ($/bu.)[2]	.29	.36	.50	.18	.24	.20	.15	.16	.17	–
Exports (mil. bu.)	723.4	753.0	875.0	74.2	74.5	71.7	55.5	103.2	60.0	–
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.8	27.4	24.3	20.8	22.6	22.9	22.0	23.1	23.4	21.6
Production (mil. lb.)	10,291.4	11,323.0	12,105.0	1,009.8	1,024.3	1,010.6	887.8	991.3	951.1	–
Domestic disappearance (mil. lb.)	8,192.4	894.2	898.1	713.6	840.6	729.7	684.3	740.2	758.2	–
Exports (mil. lb.)	2,137.1	2,334.0	2,690.0	335.1	123.0	118.7	126.5	211.0	90.7	–
Stocks, beginning (mil. lb.)	766.6	771.0	776.0	1,183.7	1,677.3	1,738.0	1,913.1	1,977.1	2,016.7	2,118.8
Soybean meal:										
Wholesale price, 44% protein, Decatur ($/ton)	161.87	190.10	181.90	166.5	223.70	223.50	212.50	210.40	222.00	221.00
Production (thou. ton)	22,398.9	24,354.0	27,105.0	2,247.0	2,248.5	2,216.5	1,905.3	2,141.1	2,043.8	–
Domestic disappearance (thou. ton)	16,287.2	1,772.0	1,923.8	1,423.4	2,305.0	1,562.1	1,140.9	1,170.4	1,302.9	–
Exports (thou. ton)	7,542.7	6,610	7,908.0	750.7	7,515	5,606	7,598	9,422	8,003	–
Stocks, beginning (thou. ton)	228.3	243	267.0	226.1	381.4	250.0	244	248.1	271.4	212.0
Margarine, wholesale price, Chicago (cts./lb.)	39.1	43.5	50.2	44.0	45.6	42.3	41.3	42.0	42.2	41.0

[1] Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. [2] Spot basis, Illinois shipping points.

Fruit:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale price indexes:										
Fresh fruit (1967=100)	217.6	230.4	237.3	244.3	220.5	203.3	211.6	217.0	221.3	227.7
Dried fruit (1967=100)	355.3	530.7	380.4	374.8	391.0	382.2	381.1	381.1	385.5	382.2
Canned fruit and juice (1967=100)	213.9	240.2	256.4	255.3	260.4	239.5	267.3	271.0	271.4	272.6
Frozen fruit and juice (1967=100)	232.0	248.5	244.3	247.4	232.7	228.8	268.5	294.9	317.2	317.2
F.o.b. shipping point prices:										
Apples, Yakima Valley ($/ctn.)[1]	n.a.	n.a.	n.a.	13.24	8.50	8.50	8.70	[4]9.58	[4]9.09	[4]9.54
Pears, Medford, Or. ($/box)[2]	n.a.	n.a.	n.a.	n.a.	10.00	9.69	10.26	[4]12.50	n.a.	n.a.
Oranges, U.S. avg. ($/box)	10.69	12.50	9.50	8.82	11.00	10.10	11.20	10.20	9.66	9.18
Grapefruit, U.S. avg. ($/box)	6.72	8.00	8.50	8.88	8.81	8.66	10.10	9.86	10.30	10.90
Stocks, beginning:										
Fresh apples (mil. lb.)	[3]2,624.5	[3]2,789.6	[3]3,222.0	651.2	3,980.0	3,223.0	2,634.8	2,035.8	1,482.5	997.1
Fresh pears (mil. lb.)	[3]195.3	[3]157.6	[3]206.0	24.0	357.6	205.0	170.9	118.4	73.9	38.2
Frozen fruit (mil. lb.)	[3]517.9	[3]563.7	[3]578.0	365.0	626.1	579.7	553.6	499.0	451.0	401.0
Frozen fruit juices (mil. lb.)	[3]714.0	[3]734.3	[3]1,005.4	1,543.3	948.9	1,010.4	1,185.6	1,372.6	1,518.9	1,632.6

[1] Red Delicious, Washington extra fancy, carton tray pack, 80-125's. [2] D'Anjou pears, Medford, or wrapped, U.S. No. 1, 90-135's [3] Stocks as of January 1 of year listed. n.a. = not available. [4] C.A. storage.

Food grains:

	Marketing year[1]			1980		1981				
	1977/78	1978/79	1979/80	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City ($/bu.)[2]	2.72	3.38	4.25	4.10	4.54	4.60	4.47	4.35	4.48	4.36
Wheat, DNS, Minneapolis ($/bu.)[3]	2.66	3.17	4.16	4.21	4.62	4.65	4.53	4.32	4.41	4.44
Flour, Kansas City ($/cwt.)	6.60	7.81	10.03	10.01	10.35	10.66	10.40	10.28	10.53	10.31
Flour, Minneapolis ($/cwt.)	7.34	8.17	10.27	10.38	10.86	11.05	11.11	10.98	11.10	11.08
Rice, S.W. La. ($/cwt.)[3]	21.30	18.40	22.15	23.25	26.75	27.00	27.25	27.70	28.25	28.00
Wheat:										
Exports (mil. bu.)	1,124	1,194	1,375	92	135	134	131	136	136	84
Mill grind (mil. bu.)	616	622	630	50	57	58	51	55	53	–
Wheat flour production (mil. cwt.)	276	278	284	23	25	26	23	25	24	–

	Marketing year[1]			1979	1980				1981	
	1977/78	1978/79	1979/80	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	1,113	1,178	924	2,271	1,716	1,225	902	2,472	1,904	1,329
Domestic use:										
Food (mil. bu.)	587	592	596	158	145	95	197	167	154	–
Feed and seed (mil. bu.)[4]	272	245	187	9	63	35	85	30	17	–
Exports (mil. bu.)	1,124	1,194	1,375	388	283	193	518	371	401	220

[1] Beginning June 1 for wheat and August 1 for rice. [2] Ordinary protein. [3] Long-grain, milled basis. [4] Feed use approximated by residual.

Cotton:

	Marketing year[1]			1980		1981				
	1977/78	1978/79	1979/80	May	Dec	Jan	Feb	Mar	Apr	May
U.S. price, SLM, 1-1/16 in. (cts/lb.)[2]	52.7	61.6	71.5	78.3	87.2	85.1	83.3	81.5	81.2	78.5
Northern Europe prices:										
Index (cts./lb.)[3]	70.6	76.1	85.6	88.4	99.2	99.5	95.9	91.7	88.7	87.5
U.S., SM 1-1/16 in. (cts./lb.)[4]	66.0	76.3	87.5	95.3	106.0	105.4	102.9	100.3	99.1	96.4
U.S. mill consumption (thou. bales)	6,462.5	6,434.8	6,463.0	649.7	493.1	453.0	464.6	561.3	451.0	–
Exports (thou. bales)	5,484.1	6,180.2	9,228.9	963.1	566.2	703.9	723.2	771.5	524.0	–

[1] Beginning August 1. [2] Average spot market. [3] Liverpool Outlook "A" Index; average of five lowest priced of 10 selected growths. [4] Memphis territory growths.

Coffee

	Annual			1980		1981				
	1978	1979	1980 p	May	Dec	Jan	Feb	Mar	Apr p	May p
Composite green price, N.Y. (cts./lb.)	155.15	169.50	150.67	182.30	119.87	124.80	120.18	119.82	120.57	150.67
Imports, green bean equivalent (mil.lb.)[2]	2,448	2,656	2,466	208	231	251	236	183	172	*175

	Annual			1979	1980			1981	
	1978	1979	1980 p	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June
Roastings (mil. lb.)[2]	2,156	2,249	2,255	564	568	532	511	644	627	*550

[1] Green and processed coffee. [2] Instant soluble and roasted coffee. p Preliminary. *Forecast.

Vegetables:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Potatoes, white, f.o.b. East ($/cwt.)	5.20	4.54	6.32	5.24	9.28	11.99	13.40	12.34	12.44	11.35
Iceberg lettuce ($/ctrn.)[1]	5.10	5.10	4.25	5.64	3.56	3.90	3.74	4.63	3.64	5.52
Tomatoes ($/ctrn.)[2]	6.65	7.86	7.57	7.94	6.11	12.49	14.74	15.06	11.98	5.53
Wholesale price index, 10 canned veg. (1967=100)	175	191	200	192	218	219	218	219	236	236
Grower price index, fresh commercial veg. (1967=100)	209	215	217	231	250	280	328	348	266	269

[1] Std. carton 24's f.o.b. shipping point. [2] 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar:

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
U.S. raw sugar price, N.Y. (cts./lb.)[1]	–	–	30.10	31.89	30.29	29.61	26.07	23.81	19.91	17.43
U.S. deliveries (thou. short tons)[2,3]	10,849	10,714	10,149	941	[4]815	[4]697	[4]674	[4]823	[4]799	[4]788

[1] Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. [2] Raw value. [3] Excludes Hawaii. [4] Preliminary.

Tobacco:

	Annual			1980		1981				
	1978	1979	1980[1]	May	Dec	Jan	Feb	Mar	Apr	May
Prices at auctions:										
Flue-cured (cts./lb.)[2]	135.0	140.0	144.5	–	–	–	–	–	–	–
Burley (cts./lb.)[2]	131.0	145.2	165.9	–	166.0	166.0	165.5	–	–	–
Domestic consumption[3]										
Cigarettes (bil.)	614.3	614.0	620.5	50.5	43.8	53.0	49.5	55.8	n.a.	n.a.
Large cigars (mil.)	4,701	4,298	3,994	349.1	288.7	255.6	268.2	323.2	n.a.	n.a.

[1] Subject to revision. [2] Crop year July-June for flue-cured, October-September for burley. [3] Taxable removals. n.a. =not available.

Supply and Utilization: Crops

Supply and Utilization: Domestic Measure[1]

	Area										
	Planted	Harvested	Yield	Production	Total Supply[2]	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price[3]
	Mil. acres		Bu/acre				Mil. bu				$/bu.
Wheat:											
1976/77	80.4	70.9	30.3	2,149	2,817	74	680	950	1,704	1,113	2.73
1977/78	75.4	66.7	30.7	2,046	3,161	193	667	1,124	1,983	1,178	2.33
1978/79	66.0	56.5	31.4	1,776	2,956	159	679	1,194	2,032	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	87	696	1,375	2,158	902	3.78
1980/81*	80.4	70.9	33.4	2,370	3,274	48	725	1,510	2,283	991	4.00
1981/82*	88.8	80.6	32.6	2,629	3,622	150	732	1,675	2,557	1,065	3.80-4.40
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/lb.
Rice:											
1976/77	2.49	2.48	4,663	115.6	152.6	—	42.7	65.6	108.3	40.5	7.02
1977/78	2.26	2.25	4,412	99.2	139.8	—	37.7	72.8	110.5	27.4	9.49
1978/79	2.99	2.97	4,484	133.2	160.7	—	49.2	75.7	124.9	31.6	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	—	48.9	82.5	131.4	25.7	10.50
1980/81*	3.36	3.30	4,403	145.1	171.0	—	55.5	94.3	149.8	18.2	12.00
1981/82*	3.84	3.81	4,500	171.3	189.6	—	57.8	92.0	149.8	36.3	8.75-11.25
	Mil. acres		Bu/acre				Mil. bu.				$/bu.
Corn:											
1976/77	84.6	71.5	88.0	6,289	6,691	3,571	550	1,684	5,805	886	2.15
1977/78	84.3	71.6	90.8	6,505	7,394	3,745	590	1,948	6,283	1,111	2.02
1978/79	81.7	71.9	101.0	7,268	8,380	4,323	620	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,519	675	2,433	7,627	1,617	2.52
1980/81*	84.1	73.1	91.0	6,648	8,266	4,200	750	2,500	7,450	816	3.15
1981/82*	84.0	73.5	102.0	7,497	8,314	4,100	840	2,500	7,440	874	2.85-3.45
	Mil. acres		Bu/acre				Mil. bu.				$/bu.
Sorghum:											
1976/77	18.1	14.5	49.1	711	762	414	11	246	671	91	2.03
1977/78	16.6	13.8	56.6	781	872	456	11	214	681	191	1.82
1978/79	16.2	13.4	54.5	731	922	544	11	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	969	484	13	325	822	147	2.34
1980/81*	15.9	12.7	46.2	588	735	390	11	250	651	84	3.00
1981/82*	16.1	14.0	57.0	798	882	450	11	265	726	156	2.70-3.30
	Mil. acres		Bu/acre				Mil. bu.				$/bu.
Barley:											
1976/77	9.3	8.4	45.4	383	522	175	155	66	396	126	2.25
1977/78	10.8	9.7	44.0	428	564	178	156	57	391	173	1.78
1978/79	10.0	9.2	49.2	455	638	217	167	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	204	172	55	431	192	2.29
1980/81*	8.3	7.2	49.6	359	561	167	172	77	424	137	2.80
1981/82*	9.7	9.0	50.0	450	597	180	175	60	415	182	2.40-2.90
	Mil. acres		Bu/acre				Mil. bu.				$/bu.
Oats:											
1976/77	16.6	11.8	45.7	540	747	485	88	10	583	164	1.56
1977/78	17.7	13.5	55.8	753	919	509	85	12	606	313	1.10
1978/79	16.4	11.1	52.3	582	896	526	77	13	616	280	1.20
1979/80	14.0	9.7	54.4	527	808	492	76	4	572	236	1.37
1980/81*	13.4	8.6	53.0	458	695	432	74	13	519	176	1.80
1981/82*	13.6	9.8	53.0	519	696	425	75	10	510	186	1.55-1.85
	Mil. acres		Bu/acre				Mil. bu.				$/bu.
Soybeans:											
1976/77	50.3	49.4	26.1	1,289	1,534	[4]77	790	564	1,431	103	6.81
1977/78	59.0	57.8	30.6	1,767	1,870	[4]82	927	700	1,709	161	5.88
1978/79	64.7	63.7	29.4	1,869	2,030	[4]99	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	[4]85	1,123	875	2,083	359	6.28
1980/81*	70.1	67.9	26.8	1,817	2,176	[4]91	1,040	750	1,881	295	7.55
1981/82*	69.0	68.0	29.5	2,005	2,300	[4]90	1,080	825	1,995	305	6.50-8.50
							Mil. lbs.				c/lb.
Soybean oil:											
1976/77	—	—	—	8,578	9,829	—	7,511	1,547	9,058	771	24.0
1977/78	—	—	—	10,288	11,059	—	8,273	2,057	10,330	729	24.6
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.4
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,440	12,650	—	8,950	1,500	10,450	2,200	23.0
1981/82*	—	—	—	11,770	13,970	—	9,300	2,000	11,300	2,670	20.0-25.0
							Thou. tons				$/ton
Soybean meal:											
1976/77	—	—	—	18,488	18,843	—	14,056	4,559	18,615	228	199.8
1977/78	—	—	—	22,371	22,599	—	16,276	6,080	22,356	243	164.2
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,238	7,908	27,146	226	181.9
1980/81*	—	—	—	24,909	25,135	—	17,525	7,350	24,875	260	220.0
1981/82*	—	—	—	25,700	25,960	—	18,350	7,350	25,700	260	200.0-240.0

See footnotes at end of table.

Supply and Utilization—Domestic Measure, Continued

	Area										
	Planted	Harvested	Yield	Production	Total Supply[2]	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price[3]
	Mil. acres		lb/acre	Mil. bales							c/lb
Cotton:											
1976/77	11.6	10.9	465	10.6	14.3	—	6.7	4.8	11.5	2.9	64.1
1977/78	13.7	13.3	520	14.4	17.3	—	6.5	5.5	12.0	6.3	62.3
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	63.4
1980/81*	14.5	13.2	404	11.1	14.2	—	5.8	6.1	11.9	2.4	—
1981/82*	14.6	13.2	500	13.8	16.2	—	6.1	7.0	13.1	3.2	—

Supply and Utilization—Metric Measure[6]

	Mil. hectares		Metric tons/ha	Mil. metric tons							$/metric ton
Wheat:											
1976/77	32.5	28.7	2.04	58.5	76.7	2.1	18.5	25.8	46.4	30.3	100
1977/78	30.5	27.0	2.06	55.6	86.0	5.2	18.1	30.6	53.9	32.1	86
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.4	18.9	37.4	58.7	24.6	139
1980/81*	32.5	28.7	2.25	64.5	89.1	1.3	19.7	41.1	62.1	27.0	147
1981/82*	35.2	32.5	2.26	71.6	98.6	4.1	19.9	45.6	69.6	29.0	140-162
				Mil. metric tons (rough equiv.)							
Rice:											
1976/77	1.0	1.0	5.23	5.2	6.9	[7]0.2	1.9	3.0	4.9	1.8	155
1977/78	.9	.9	4.95	4.5	6.3	[7]0.1	1.7	3.3	5.0	1.2	209
1978/79	1.2	1.2	5.03	6.1	7.3	[7]0.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	[7]0.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.93	6.6	7.8	[7]0.2	2.5	4.3	6.8	.8	265
1981/82*	1.6	1.5	5.04	7.8	8.6	[7]0.2	2.6	4.2	6.8	1.6	193-248
				Mil. metric tons							
Corn:											
1976/77	34.2	28.9	5.52	159.7	170.0	90.8	13.9	42.8	147.5	22.5	85
1977/78	34.1	29.0	6.70	165.2	187.8	95.1	15.0	49.5	159.6	28.2	80
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.89	201.7	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.6	5.71	168.9	210.0	106.7	19.1	63.5	189.2	20.7	124
1981/82*	34.0	29.7	6.40	190.4	211.2	104.1	21.3	63.5	189.0	22.2	112-136
Feed Grain:											
1976/77	52.1	43.0	4.51	194.0	211.5	112.1	18.9	50.6	181.6	29.9	—
1977/78	52.4	43.9	4.68	205.3	235.5	117.9	19.9	56.3	194.1	41.4	—
1978/79	50.3	42.7	5.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.73	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.3	41.1	4.82	198.2	250.9	126.7	24.1	71.7	222.5	28.4	—
1981/82*	49.9	43.0	5.29	228.0	256.7	125.7	26.5	71.7	223.9	32.8	—
Soybeans:											
1976/77	20.4	20.0	1.76	35.1	41.7	[4]2.1	21.5	15.3	38.9	2.8	250
1977/78	23.9	23.4	2.06	48.1	50.9	[4]2.2	25.2	19.1	46.5	4.4	216
1978/79	26.2	25.8	1.98	50.9	55.3	[4]2.8	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.5	[4]2.4	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.80	49.5	59.2	[4]2.5	28.3	20.4	51.2	8.0	277
1981/82*	27.9	27.5	1.98	54.6	62.6	[4]2.5	29.4	22.5	54.3	8.3	239-312
Soybean oil:											
1976/77	—	—	—	3.89	4.46	—	3.41	.70	4.11	.35	529
1977/78	—	—	—	4.67	5.02	—	3.75	.93	4.69	.33	542
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	604
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.19	5.74	—	4.06	.68	4.74	1.00	507
1981/82*	—	—	—	5.34	6.34	—	4.22	.91	5.13	1.21	441-551
Soybean meal:											
1976/77	—	—	—	16.77	17.09	—	12.75	4.14	16.89	.21	220
1977/78	—	—	—	20.29	20.50	—	14.77	5.52	20.28	.22	181
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	210
1979/80	—	—	—	24.59	24.83	—	17.45	7.17	24.63	.21	201
1980/81*	—	—	—	22.60	22.80	—	15.90	6.67	22.57	.24	243
1981/82*	—	—	—	23.32	23.55	—	16.65	6.67	23.32	.24	220-266
											$/kg
Cotton:											
1976/77	4.7	4.4	.52	2.31	3.11	—	1.46	1.05	2.50	.63	1.41
1977/78	5.5	5.4	.58	3.14	3.77	—	1.42	1.20	2.61	1.15	1.15
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	1.40
1980/81*	5.9	5.4	.45	2.42	3.09	—	1.26	1.33	2.59	.52	—
1981/82*	5.8	5.3	.56	3.00	3.53	—	1.33	1.52	2.85	.70	—

*June 30, 1981 Supply and Demand Estimates. [1] Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soymeal, and soyoil. [2] Includes imports. [3] Season average. [4] Includes seed. [5] Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. [6] Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. [7] Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1979			1980				1981
	1978	1979	1980 p	II	III	IV	I	II	III	IV	I p
	$ Bil. (Quarterly data seasonally adjusted at annual rates)										
Gross national product[1]	2,156.1	2,413.9	2,626.1	2,374.6	2,444.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,853.0
Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,478.0	1,529.1	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,810.1
Durable goods	199.3	212.3	211.9	207.4	213.3	216.1	220.9	194.4	208.8	223.3	238.3
Nondurable goods	529.8	602.2	675.7	586.4	611.5	639.2	661.1	664.0	674.2	703.5	726.0
Clothing and shoes	91.9	98.9	104.8	97.0	100.3	102.5	102.2	102.3	105.3	109.4	113.4
Food and beverages	276.4	312.1	345.7	306.0	314.3	329.0	336.2	338.4	347.7	360.4	372 5
Services	619.6	696.3	785.2	684.2	704.3	727.0	749.0	768.4	799.2	824.2	845.8
Gross private domestic investment	375.3	415.8	395.3	423.2	421.7	410.0	415.6	390.9	377.1	397.7	437.1
Fixed investment	353.2	398.3	401.2	390.1	408.3	410.8	413.1	383.5	393.2	415.1	432.7
Nonresidential	242.0	279.7	296.0	272.9	288.5	290.2	297.8	289.8	294.0	302.1	315.9
Residential	111.2	118.6	105.3	117.2	119.8	120.6	115.2	93.6	99.2	113.0	116.7
Change in business inventories	22.2	17.5	-5.9	33.1	13.3	-.8	2.5	7.4	-16.0	-17.4	4.5
Net exports of goods and services	-.6	13.4	23.3	8.2	17.9	7.8	8.2	17.1	44.6	23.3	29.2
Exports	219.8	281.3	339.8	266.8	293.1	306.3	337.3	333.3	342.4	346.1	367.4
Imports	220.4	267.9	316.5	258.6	275.2	298.7	329.1	316.2	297.9	322.7	338.2
Government purchases of goods and services	432.6	473.8	534.7	465.1	475.4	496.4	516.8	530.0	533.5	558.6	576.5
Federal	153.4	167.9	198.9	163.6	165.1	178.1	190.0	198.7	194.9	212.0	221.6
State and local	279.2	305.9	335.8	301.6	310.4	318.3	326.8	331.3	338.6	346.6	354.9
	1972 $Bil. (Quarterly data seasonally adjusted at annual rates)										
Gross national product	1,436.9	1,483.0	1,480.7	1,473.4	1,488.2	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,516.4
Personal consumption expenditures	904.8	930.9	935.1	922.8	933.4	941.6	943.4	919.3	930.8	946.8	960.2
Durable goods	146.3	146.6	135.8	144.2	146.7	146.0	145.4	126.2	132.6	139.1	146.8
Nondurable goods	345.7	354.6	358.4	350.6	355.4	361.3	361.5	356.6	354.9	360.4	364.5
Clothing and shoes	73.3	76.6	78.0	75.3	77.4	78.4	76.9	76.7	78.3	80.1	82.8
Food and beverages	172.5	176.7	181.5	174.7	177.4	181.3	183.6	182.2	180.1	179.9	182.9
Services	412.8	429.6	440.9	428.0	431.3	434.3	436.6	436.5	443.3	447.3	448.9
Gross private domestic investment	229.7	232.6	203.6	238.7	232.6	221.5	218.3	200.5	195.3	200.5	211.6
Fixed investment	215.8	222.5	206.6	220.4	225.0	222.2	219.2	199.2	200.2	207.6	213.1
Nonresidential	153.4	163.3	158.4	161.3	166.4	164.1	165.0	156.1	155.5	157.0	162.0
Residential	62.4	59.1	48.1	59.1	58.6	58.1	54.2	43.1	44.7	50.6	51.0
Change in business inventories	14.0	10.2	-2.9	18.4	7.6	-.7	-.9	1.3	-5.0	-7.2	-1.4
Net exports of goods and services	24.6	37.7	52.0	31.6	41.1	42.2	50.1	51.7	57.6	48.5	50.9
Exports	127.5	146.9	161.1	140.5	151.3	154.8	165.9	160.5	160.5	157.4	162.5
Imports	103.0	109.2	109.1	108.8	110.2	112.6	115.8	108.9	102.8	108.9	111.6
Government purchases of goods and services	277.8	281.8	290.0	280.3	281.1	285.3	290.1	291.9	288.2	289.8	293.6
Federal	99.8	101.7	108.1	100.8	99.9	103.1	107.6	110.7	106.9	107.4	111.2
State and local	178.0	180 1	181.9	179.4	181.2	182.2	182.5	181.2	181.3	182.4	182.5
New plant and equipment expenditures ($bil.)	231.24	270.46	295.63	265.24	273.15	284.30	291.89	294.36	296.23	299.58	310.10
Implicit price deflator for GNP (1972=100)	150.05	162.77	177.36	161.17	164.23	167.47	171.23	175.28	179.18	183.81	188.14
Disposable income ($bil.)	1,462.9	1,641.7	1,821.7	1,612.9	1,663.8	1,710.1	1,765.1	1,784.1	1,840.6	1,897.0	1,947.8
Disposable income (1972 $bil.)	981.5	1,011.5	1,018.4	1,006.9	1,015.7	1,017.7	1,021.0	1,008.2	1,018.5	1,025.8	1,033.3
Per capita disposable income ($)	6,688	7,441	8,176	7,320	7,533	7,722	7,953	8,020	8,249	8,479	8,688
Per capita disposable income (1972 $)	4,487	4,584	4,571	4,570	4,598	4,596	4,600	4,532	4,565	4,585	4,609
U.S. population, tot, incl. military abroad (mil.)*	222.6	225.1	227.7	224.7	225.4	225.9	226.7	227.3	228.0	228.6	229.1
Civilian population (mil.)*	220.5	223.0	225.6	222.7	223.3	224.0	224.6	225.2	225.9	226.5	226.9

See footnotes at end of next table.

Selected monthly indicators

	Annual			1980		1981				
	1978	1979	1980 p	May	Dec	Jan	Feb	Mar	Apr	May p
	Monthly data seasonally adjusted except as noted									
Industrial production, total[2] (1967=100)	146.1	152.5	147.1	144.0	151.0	151.7	151.5	152.2	152.3	152.8
Manufacturing (1967=100)	146.8	153.6	146.6	143.4	150.6	151.1	151.0	151.7	152.3	152.9
Durable (1967=100)	139.7	146.4	136.6	133.3	140.6	141.4	140.7	142.2	142.7	143.5
Nondurable (1967=100)	156.9	164.0	161.1	158.0	165.0	165.2	166.1	165.5	166.1	166.6
Leading economic indicators[3 4] (1967=100)	141.8	140.1	131.7	123.0	137.2	136.5	135.8	137.2	137.7	135.2
Employment[5] (Mil. persons)	94.4	96.9	97.3	97.1	97.3	97.7	97.9	98.4	99.0	99.2
Unemployment rate[5] (%)	6.0	5.8	7.1	7.6	7.4	7.4	7.3	7.3	7.3	7.6
Personal income[1] ($bil. annual rate)	1,721.8	1,943.8	2,160.2	2,114.1	2,276.6	2,300.7	2,318.2	2,340.4	2,353.5	2,367.2
Hourly earnings in manufacturing[5 6] ($)	6.17	6.69	7.27	7.13	7.69	7.73	7.74	7.80	7.87	7.91
Money stock (daily average)[3] ($bil.)	[7]360.1	[7]386.9	[7]411.9	386.9	411.3	416.0	419.0	422.9	429.5	427.7
Time and savings deposits (daily average) ($bil.)	[7]1,204.3	[7]1,292.2	[7]1,399.8	1,325.0	1,399.8	1,413.7	1,418.6	1,418.4	1,415.9	1,426.6
Three-month Treasury bill rate[3] (%)	7.221	10.041	11.506	9.150	15.661	14.724	14.905	13.478	13.635	16.295
Aaa corporate bond yield (Moody's)[6 8] (%)	8.73	9.63	11.94	10.99	13.21	12.81	13.35	13.33	13.88	14.32
Interest rate on new home mortgages[6 9] (%)	9.54	10.77	12.65	13.68	13.28	13.26	13.54	14.02	14.15	14.15
Housing starts, private (including farm) (thou.)	2,020.3	1,745.1	1,292.0	938	1,535	1,660	1,215	1,297	1,340	1,152
Auto sales at retail, total[1] (mil.)	11.3	10.6	9.0	7.2	8.9	9.7	10.5	10.4	8.0	7.9
Business sales, total[1] ($bil.)	256.5	291.8	316.6	298.0	339.4	345.6	346.4	346.6	346.2 p	—
Business inventories, total[2] ($bil.)	383.5	430.9	461.7	450.3	461.7	465.1	470.8	472.4	474.9 p	—
Sales of all retail stores ($bil.)[1 6]	66.9	74.3	79.5	76.0	83.4	85.5	86.8	87.6	85.7 p	85.9
Durable goods stores ($bil.)	23.2	25.3	24.8	22.5	26.0	27.1	28.3	28.4	26.3 p	26.4
Nondurable goods stores ($bil.)	43.6	49.1	54.7	53.4	57.6	58.4	58.5	59.2	59.5 p	59.5
Food stores ($bil.)	14.5	16.3	18.1	17.6	19.1	19.1	19.1	19.5	19.7 p	19.8
Eating and drinking places ($bil.)	5.9	6.6	7.2	7.0	7.6	7.9	7.9	8.0	7.9 p	7.8
Apparel and accessory stores ($bil.)	3.3	3.5	3.7	3.6	3.9	3.9	4.0	3.9	3.9 p	4.0

[1] Department of Commerce. [2] Board of Governors of the Federal Reserve System. [3] MI-B. [4] Composite index of 12 leading indicators. [5] Department of Labor, Bureau of Labor Statistics. [6] Not seasonally adjusted. [7] December of the year listed. [8] Moody's Investors Service. [9] Federal Home Loan Board. [10] Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary. * Data revised to reflect the results of the 1980 census count.

U.S. Agricultural Trade

U. S. agricultural exports

	October-April				April			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		$ Thou.		Thou. units		$ Thou.	
Animals, live, excluding poultry	—	—	89,916	104,751	—	—	12,000	10,277
Meat and preps., excluding poultry (mt)	239	310	516,931	619,938	37	85	76,881	92,338
Dairy products, excluding eggs	—	—	85,278	115,516	—	—	10,935	15,913
Poultry and poultry products	—	—	287,814	430,621	—	—	41,222	62,450
Grains and preparations	—	—	9,988,369	12,686,270	—	—	1,417,707	1,716,268
Wheat and wheat flour (mt)	20,616	24,295	3,711,886	4,689,224	2,724	3,620	485,732	700,588
Rice, milled (mt)	1,166	961	481,010	489,238	215	134	92,006	69,260
Feed grains, excluding products (mt)	43,234	44,434	5,442,930	6,842,105	6,461	5,284	805,161	832,446
Other	—	—	352,543	665,703	—	—	34,808	113,974
Fruits, nuts, and preparations	—	—	1,282,974	1,297,729	—	—	143,957	152,939
Vegetables and preparations	—	—	562,822	963,546	—	—	99,074	130,564
Sugar & preps., including honey	—	—	107,671	424,109	—	—	15,900	56,361
Coffee, tea, cocoa, spices, etc. (mt)	29	31	95,847	144,890	3	4	13,247	16,261
Feeds and fodders	—	—	1,684,407	1,859,997	—	—	214,268	299,424
Protein meal (mt)	4,852	4,654	1,101,313	1,198,163	627	779	133,391	191,701
Beverages excl. distilled alcohol (Lit)	34,774	76,246	14,852	37,042	9,453	7,781	3,989	3,730
Tobacco, unmanufactured (mt)	191	164	922,281	841,503	25	23	115,522	109,212
Hides, skins, and furskins	—	—	806,790	678,562	—	—	91,985	92,534
Oilseeds	—	—	4,551,575	4,450,701	—	—	598,119	534,211
Soybeans (mt)	16,185	13,611	4,182,138	4,165,899	2,213	1,632	544,058	484,469
Wool, unmanufactured (mt)	2	2	18,728	16,942	(1)	(1)	2,616	2,927
Cotton, unmanufactured (mt)	1,351	904	1,974,132	1,631,305	213	121	314,648	211,604
Fats, oils, and greases (mt)	906	910	475,332	451,114	174	146	86,078	70,752
Vegetable oils and waxes (mt)	1,091	912	749,854	628,759	196	122	124,836	86,464
Rubber and allied gums (mt)	10	7	13,431	14,209	3	1	3,523	2,442
Other	—	—	532,179	662,278	—	—	82,036	84,552
Total	—	—	24,761,183	28,059,782	—	—	3,468,543	3,751,323

[1] Less than 500.

U.S. agricultural exports by regions

Region[1]	October-April		April		Change from year earlier	
	1979/80	1980/81	1980	1981	October-April	April
	$ Mil.				PCT	
Western Europe	7,800	7,321	1,021	930	-6	-9
European Community (EC-9)	5,882	5,558	776	731	-6	-6
Other Western Europe	1,918	1,763	245	199	-8	-19
Greece	156	143	28	23	-8	-18
Portugal	354	459	33	57	+30	+73
Spain	909	693	122	70	-24	-43
Eastern Europe	1,578	1,444	170	223	-8	+31
German Dem. Rep.	387	286	62	39	-26	-37
Poland	494	531	51	74	+7	+45
Romania	238	301	20	68	+26	+240
U.S.S.R.	1,399	1,331	75	91	-5	+21
Asia	8,283	10,064	1,267	1,335	+22	+5
West Asia	821	1,000	117	121	+22	+3
Iran	43	65	0	17	+51	–
Iraq	178	88	33	10	-51	-70
Israel	198	221	26	31	+12	+19
Saudi Arabia	204	294	26	26	+44	–
South Asia	432	189	99	34	-56	-66
India	260	106	46	25	-59	-46
Pakistan	54	53	9	8	-2	-11
East and Southeast Asia	7,031	8,876	1,051	1,180	+26	+12
China, Mainland	1,043	1,545	160	130	+48	-19
Hong Kong	264	238	40	34	-10	-15
Indonesia	263	227	24	41	-14	+71
Japan	3,463	4,345	525	533	+26	+2
Korea	916	1,355	135	240	+48	+78
Philippines	169	203	34	53	+20	+56
Taiwan	666	681	107	97	+2	-9
Africa	1,272	1,544	207	280	+21	+35
North Africa	747	819	129	158	+10	+22
Algeria	137	170	34	46	+24	+35
Egypt	457	535	74	104	+17	+41
Other Africa	525	725	78	122	+38	+56
Nigeria	212	256	33	50	+21	+52
Latin America and Caribbean	2,932	4,436	470	548	+51	+17
Brazil	486	575	77	57	+18	-26
Caribbean	406	460	62	54	+13	-13
Central America	194	220	29	34	+13	+17
Chile	131	226	23	19	+73	-17
Mexico	941	1,864	149	252	+98	+69
Peru	123	289	38	48	+135	+26
Venezuela	335	546	50	48	+63	-4
Canada, excl. transshipments	969	1,206	139	171	+24	+23
Canadian transshipments	411	587	106	159	+43	+50
Oceania	118	127	14	15	+8	+7
Total	24,761	28,060	3,469	3,751	+13	+8

[1] Not adjusted for transshipments.

Prices of principal U.S. agricultural trade products

	Annual			1980		1981				
	1978	1979	1980	May	Dec	Jan	Feb	Mar	Apr	May
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports ($/bu.)	3.56	4.45	4.78	4.45	5.12	5.20	5.01	4.79	4.93	4.77
Corn, f.o.b. vessel, Gulf ports ($/bu.)	2.66	3.01	3.28	2.86	3.83	3.94	3.69	3.66	3.71	3.63
Grain sorghum, f.o.b. vessel, Gulf ports ($/bu.)	2.48	2.85	3.38	3.00	3.85	3.89	3.65	3.61	3.61	3.49
Soybeans, f.o.b. vessel, Gulf ports ($/bu.)	7.04	7.59	7.39	6.36	8.23	8.12	7.74	7.74	8.07	7.92
Soybean oil, Decatur (cts./lb.)	25.79	27.59	23.63	20.74	23.72	22.41	21.55	23.00	23.18	21.14
Soybean meal, Decatur ($/ton)	170.71	191.08	196.47	165.78	222.79	219.81	211.08	207.57	221.38	222.50
Cotton, 10 market avg. spot (cts./lb.)	58.31	61.81	81.13	78.27	87.23	85.11	83.30	81.52	81.15	78.46
Tobacco, avg. price of auction (cts./lb.)	121.88	132.15	142.29	139.15	153.07	149.40	149.40	149.16	149.50	149.96
Rice, f.o.b. mill, Houston ($/cwt.)	20.61	20.25	21.89	23.00	26.55	26.55	25.75	27.10	27.75	27.99
Inedible tallow, Chicago (cts./lb.)	19.74	23.45	18.52	17.90	18.95	15.81	15.83	15.95	16.46	—
Import commodities:										
Coffee, N.Y. spot ($/lb.)	1.66	1.74	1.64	1.85	1.21	1.25	1.23	1.24	1.25	1.26
Sugar, N.Y. spot (cts./lb.)	13.92	15.61	30.10	31.89	30.29	29.57	26.07	23.81	20.00	17.43
Cow meat, f.o.b. port of entry (cts./lb.)	97.17	130.98	125.18	110.50	124.59	121.73	116.75	113.30	n.a.	n.a.
Rubber, N.Y. spot (cts./lb.)	50.19	64.57	73.80	68.78	72.24	70.38	68.24	65.52	60.40	59.08
Cocoa beans, N.Y. ($/lb.)	1.53	1.44	1.14	1.14	.91	.92	.89	.93	.92	.83
Bananas, f.o.b. port of entry ($/40-lb. box)	5.20	5.91	6.89	8.06	6.71	7.03	7.90	8.33	7.72	8.16

n.a. = not available.

U.S. agricultural imports

	October-April				April			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		$ Thou.		Thou. units		$ Thou.	
Live animals, excluding poultry	—	—	323,219	235,171	—	—	22,919	28,292
Meat and preparations, excl. poultry (mt)	532	540	1,381,954	1,386,360	61	70	154,781	168,464
Beef and veal (mt)	410	404	1,076,972	1,025,062	43	50	111,359	119,245
Pork (mt)	105	117	266,443	312,303	16	16	38,835	39,789
Dairy products, excluding eggs	—	—	266,101	326,728	—	—	28,463	38,494
Poultry and poultry products	—	—	35,671	56,297	—	—	6,084	8,974
Grains and preparations	—	—	154,282	182,441	—	—	18,393	25,880
Wheat and flour (mt)	1	3	255	1,214	(1)	(1)	26	197
Rice (mt)	1	3	941	1,687	(1)	1	129	447
Feed grains (mt)	144	120	24,997	27,102	12	14	2,611	3,339
Other	—	—	128,089	152,438	—	—	15,627	21,897
Fruits, nuts, and preparations	—	—	711,698	814,647	—	—	115,256	150,053
Bananas, fresh (mt)	1,352	1,425	233,780	282,549	204	250	35,205	53,122
Vegetables and preparations	—	—	569,564	523,636	—	—	86,832	71,001
Sugar and preparations, incl. honey	—	—	884,628	1,540,174	—	—	137,709	160,456
Sugar, cane or beet (mt)	2,322	2,119	756,403	1,404,294	274	231	118,600	142,985
Coffee, tea, cocoa, spices, etc. (mt)	1,001	1,023	3,605,957	2,834,803	159	140	523,122	346,867
Coffee, green (mt)	673	647	2,583,278	1,907,144	99	78	354,364	205,574
Cocoa beans (mt)	77	132	236,915	268,805	20	31	61,951	62,028
Feeds and fodders	—	—	51,486	61,953	—	—	6,709	7,792
Protein meal (mt)	24	15	3,791	3,484	3	3	401	709
Beverages, excl. distilled alcohol (hl)	5,096	5,481	580,406	648,194	709	800	80,530	87,422
Tobacco, unmanufactured (mt)	103	98	251,012	220,183	16	11	38,270	24,472
Hides, skins, and furskins	—	—	145,682	175,898	—	—	18,537	31,878
Oilseeds	—	—	33,516	204,482	—	—	8,731	55,741
Soybeans (mt)	(1)	9	141	2,863	(1)	1	37	172
Wool, unmanufactured (mt)	18	25	59,197	90,060	3	5	9,319	17,044
Cotton, unmanufactured (mt)	12	10	4,776	8,441	2	1	706	345
Fats, oils, and greases (mt)	5	6	4,564	5,024	1	1	643	646
Vegetable oils and waxes (mt)	436	536	393,047	338,708	75	33	62,589	23,143
Rubber and allied gums (mt)	396	372	510,968	469,289	40	69	56,117	79,576
Other	—	—	418,456	467,825	—	—	63,379	70,042
Total	—	—	10,386,184	10,590,314	—	—	1,435,089	1,396,582

[1] Less than 500,000. Note: 1 metric ton (mt) = 2,204,622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-April		April	
	1979/80	1980/81	1980	1981
	$ Mil.			
Agricultural exports[1]	24,761	28,060	3,469	3,751
Nonagricultural exports[2]	96,637	107,621	15,342	16,348
Total exports[3]	121,398	135,681	18,810	20,100
Agricultural imports[3]	10,386	10,590	1,435	1,396
Nonagricultural imports[4]	130,716	139,097	18,723	21,351
Total imports	141,102	149,687	20,158	22,747
Agricultural trade balance	14,375	17,470	2,034	2,355
Nonagricultural trade balance	-34,079	-31,476	-3,381	-5,003
Total trade balance	-19,704	-14,006	-1,348	-2,647

[1] Domestic exports including Department of Defense shipments (F.A.S. value). [2] Domestic and foreign exports including Department of Defense shipments (F.A.S. value). [3] Imports for consumption (Customs value). [4] General imports (Customs value).

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82[1]
	Mil. units							
Wheat:								
Area (hectare)	219.8	224.8	232.5	226.4	228.3	227.6	235.7	238.3
Production (metric ton)	357.3	350.6	421.2	383.8	446.6	422.2	438.7	458.9 ± 20
Exports (metric ton)[2]	63.9	66.7	63.1	73.0	72.0	86.1	93.3	96.0 ± 5
Consumption (metric ton)[3]	363.8	351.7	385.2	398.5	429.8	444.4	445.4	447.0 ± 15
Ending stocks (metric ton)[4]	63.9	62.8	98.8	84.1	100.9	78.7	72.0	83.9 ± 12
Coarse grains:								
Area (hectare)	342.8	350.2	344.6	345.0	342.6	340.3	341.4	348.3
Production (metric ton)	628.5	645.3	704.4	700.9	753.6	739.4	725.4	777.1 ± 25
Exports (metric ton)[2]	63.4	76.4	82.5	83.9	90.3	100.7	104.8	109.4 ± 6
Consumption (metic ton)[3]	634.7	645.9	685.4	692.4	747.0	741.0	743.6	764.4 ± 16
Ending stocks (metric ton)[4]	57.3	56.5	75.6	84.1	90.7	89.1	70.9	83.6 ± 13
Rice, milled:								
Area (hectare)	137.8	142.8	141.6	142.9	142.5	140.8	143.8	144.5
Production (metic ton)	227.3	243.1	236.2	248.9	259.2	254.0	265.1	268.0 ± 6
Exports (metic ton)[5]	7.8	9.0	10.5	9.5	11.8	12.6	13.4	12.9 ± 6
Consumption (metric ton)[3]	228.9	235.5	237.5	243.3	255.0	258.9	266.4	268.2 ± 4
Ending stocks (metric ton)[4]	11.3	18.9	17.6	23.7	27.9	23.0	21.7	21.5 ± 3
Total grains:								
Area (hectare)	700.4	717.8	718.7	714.3	713.4	708.7	720.9	731.1
Production (metric ton)	1,213.1	1,239.0	1,361.8	1,333.6	1,459.4	1,415.6	1,429.2	1,504.0 ± 37
Exports (metric ton)[2]	135.1	152.1	156.1	166.4	174.1	199.4	211.5	218.3 ± 8
Consumption (metric ton)[3]	1,227.4	1,233.1	1,308.1	1,334.2	1,431.8	1,444.3	1,455.4	1,479.6 ± 30
Ending stocks (metric ton)[4]	132.5	138.2	192.0	191.9	219.5	190.8	164.6	189.0 ± 20
Oilseeds and meals:[5] [6]								
Production (metric ton)	65.1	73.3	66.7	78.7	83.5	95.9	87.5	–
Trade (metric ton)	27.7	33.8	33.9	38.8	40.6	46.2	45.0	–
Fats and Oil:[6]								
Production (metric ton)	46.2	49.3	47.4	52.3	54.3	58.3	56.9	–
Trade (metic ton)	14.0	16.1	16.9	18.3	19.3	20.8	20.9	–
Cotton:								
Area (hectare)	33.4	29.8	30.7	32.8	32.4	32.1	32.5	33.3
Production (bale)	64.5	54.0	56.7	64.1	60.1	65.6	65.3	68.9 ± 3.5
Exports (bale)	17.5	19.1	17.6	19.1	19.8	22.9	20.2	21.1 ± 1.1
Consumption (bale)	58.7	61.1	60.6	60.2	63.0	65.7	66.3	67.9 ± 1.7
Ending stocks (bale)	30.9	24.0	20.4	24.8	22.0	21.8	21.1	22.1 ± 3.4

[1] Forecast. [2] Excludes intra-EC trade. [3] Where stocks data not available (excluding USSR), consumption includes stock changes. [4] Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. [5] Soybean meal equivalent. [6] Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

Order Now!

Agricultural Outlook Subscription Order Form

Enclosed is $ _____ ☐ check, ☐ money order, or charge to my Deposit Account No.

☐☐☐☐☐☐☐–☐

Order No. _____

Mail to:
Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

For Office Use Only	
Quantity	Charges
_____ Enclosed	_____
_____ To be mailed	_____
_____ Subscriptions	_____
Postage	_____
Foreign handling	_____
MMOB	_____
OPNR	_____
_____ UPNS	
_____ Discount	
_____ Refund	

Credit Card Orders Only

VISA®

Total charges $_____ Fill in the boxes below.

Credit Card No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Expiration Date Month/Year ☐☐☐☐

Please enter my subscription to **Agricultural Outlook** (ARGO) for one year at **$19.00** Domestic; $23.75 Foreign

Name—First, Last

Company name or additional address line

Street address

City | State | ZIP Code

(or Country)

PLEASE PRINT OR TYPE

Make checks payable to: Superintendent of Documents.

Sound Off!

The editors of **Agricultural Outlook** are dedicated to the continuing improvement of this magazine, and always appreciate reader suggestions on ways to make the AO more useful and timely. If you would like to comment on any aspect of the publication—the charts, articles, or tables—send your suggestions to:

Larry Van Meir
Room 276, GHI Bldg.
USDA, ESS, NED
500 12th St., S.W.
Washington, D.C. 20250

To learn about PDF Compression and OCR go to our website

United States Department of Agriculture
Washington, D.C. 20250
Official Business
Penalty for Private Use $300

Postage and Fees Paid
U.S. Department of
Agriculture
AGR 101

First Class

To learn about PDF Compression and OCR go to our website